

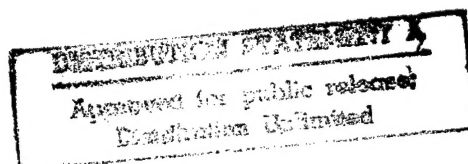
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# Latin America Report



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11 May 1984

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VENEZUELAN-MEXICAN TECHNOLOGY, ENERGY COOPERATION AGREEMENTS

Energy Ministers Sign Agreement

Caracas EL UNIVERSAL in Spanish 8 Apr 84 p 1-40

[Text] The energy and mines ministers of Venezuela and Mexico, Arturo Hernandez Grisanti and Francisco Labastida Ochoa, signed an agreement for cooperation in the oil and petrochemical areas.

The text of the agreement is as follows:

"Program for cooperation in the oil and petrochemical areas:

"On the occasion of the state visit paid by the president of Mexico to Venezuela, the Ministry of Energy and Mines of Venezuela and the Secretariat of Energy, Mines and Parastatal Industry of Mexico,

"Considering: The splendid relations maintained by them in the energy field;

"The need to progress with economic integration through the energy sector and the state enterprises participating therein;

"The mutual concern for seeing to it that the oil industry contributes more effectively to the development of the two countries, backing their respective capital goods industries, substituting for imports and converting petroleum so as to lend it greater added value;

"The feasibility of achieving integration of the economies of their countries by means of economic complementation, using the public sector's enterprises as a speedy, effective expedient for attaining this goal; and

"The need to establish mechanisms for immediate response, based on the political desires of their governments; have agreed on the following:

"1. To exchange information on supply and demand for materials in the industries of the oil and petrochemical sector, for the purpose of fostering a reciprocal commercial flow that will be reflected in the substitution of

imports of materials coming from other countries, and in a mutually advantageous complementation of industries.

"2. To increase the cooperation in the petrochemical area, including that relating to the commercial aspects, to improve sales of both primary and secondary petrochemical products from the industries of both countries on the foreign market.

"3. To expend joint efforts to promote technological research and development in the oil and petrochemical areas which is of mutual concern, and with implementation in both countries. In instances wherein one of the parties has available specific types of technology that would be useful to the other, the pertinent transfer will be negotiated.

"4. To cooperate in the formation, training and qualification of technical personnel in the various fields of specialization relating to the oil industry, by means of scientific and technical events. Both parties will also keep each other informed of their regular and special academic programs, in order to make the mutual assistance viable.

"In order to implement the contents of the aforementioned points, the parties will instruct their respective state enterprises to study and develop specific programs that will make the goals of this program materialize.

"Caracas, 7 April 1984.

"Francisco Labastida Ochoa, Secretary of Energy, Mines and Parastatal Industry of Mexico

"Dr Arturo Hernandez Grisanti, Minister of Energy and Mines of Venezuela

#### San Jose Accord

Caracas EL NACIONAL in Spanish 9 Apr 84 p D-1

[Text] During the next few months, technical groups from the financial, oil and diplomatic areas will engage in a follow-up of the San Jose Accord, to determine what type of revision should be made of this program for energy and financial cooperation whereby Mexico and Venezuela are benefiting the countries of the Caribbean and Central America.

The evaluations are part of the talks carried out between the energy ministers of Mexico and Venezuela, Francisco Labastida and Arturo Hernandez Grisanti, during the recent visit by the Mexican delegation, headed by President Miguel de la Madrid.

In a joint statement made by the presidents of Mexico and Venezuela, they note that, in view of the actual nature of the circumstances which gave rise to the agreement, and the goals that were set, it will have to be made more compatible

with the needs of the countries toward which it is directed, and with the legitimate interests of those executing it.

The agreement was signed by Mexico and Venezuela on 3 August 1983, in San Jose, Costa Rica, and benefits El Salvador, Barbados, Costa Rica, Jamaica, Guatemala, Honduras, Nicaragua, Panama and the Dominican Republic.

Last year, as a result of the financial difficulties besetting Venezuela and Mexico, and the reduction in prices and production decided on by OPEC, the original facilities for the agreement were revised.

The agreement consists of two programs, one for oil and one financial.

The former consists of a supply of oil to cover the domestic consumption of each of the benefiting countries supplied by crude imports.

The maximum volume agreed upon by all the countries is 160,000 barrels per day, in contractual terms concluded separately by PEMEX [Mexican Petroleum] and PEDVSA [Venezuelan Petroleum, Inc] with the importing nations.

The Caribbean and Central American countries are committed to making an effort to streamline the consumption of energy from oil, and receive a loan with a term of 30 days starting on the date of shipment, to pay the bill.

According to the agreement, the nations have to refine the oil (which in some instances has been improved) supplied by Mexico and Venezuela.

Although Barbados has had problems with its agreed upon volumes, the other beneficiary nations have maintained them. Nevertheless, some of these nations have met with difficulties between the pattern of their domestic demand and the Venezuelan and Mexican allowances of crude. For this reason, a change has been made in the composition of crude for countries such as Guatemala and Jamaica.

The recession and the war economy have resulted in a declining trend in the domestic demand for oil in the countries of the area; and hence the supply has dropped by over 20,000 barrels per day.

At the outset, the financial program, for its part, called for the allocation of financing equivalent to 30 percent of the oil invoicing, so that the countries could engage in projects for economic development and regional integration.

Nevertheless, following the revision that was made in the accord last year, the financing declined to 20 percent of the oil invoicing. The credit terms changed as well. The interest rate rose from 4 to 8 percent per year for 5-year loans; and from 2 to 6 percent per year for 20-year loans.

Venezuela stopped the supply of oil to Nicaragua, because that Central American country has an unpaid debt of about \$24 million; but methods are being studied that would allow for the resumption of crude deliveries.

The financial aid that the Caribbean and Central American countries have received through the San Jose Accord has been estimated at \$500 million.

Between now and August, a technical evaluation will be made to determine the readjustments to be made in the agreement, which will definitely be renewed, as the presidents of Mexico and Venezuela have announced.

2909

CSO: 3348/373

VENEZUELAN-MEXICAN CONSULTATION ACCORD SIGNED

Caracas EL UNIVERSAL in Spanish 8 Apr 84 p 1-13

[Text] The foreign ministers of Mexico and Venezuela, Bernardo Sepulveda Amor and Isidro Morales Paul, signed an accord in which the mechanism for consultation on matters of mutual concern is established.

The text of the accord is as follows:

"The Government of the Republic of Venezuela and the Government of the United Mexican States,

"For the purpose of encouraging the intensification of the traditional bonds of friendship between their peoples,

"Agreeing on the assertion that dialog and cooperation are essential features of the foreign policy of the two countries;

"Taking into consideration the common goal of both countries to foster the search for just, lasting solutions to the contemporary problems, in both the international and regional areas;

"Convinced that the solidarity between the two countries advises an improvement and intensification of the mechanisms for consultation between the Venezuelan and Mexican Foreign Ministries, regarding an extensive range of issues of mutual concern;

"Have prepared this Memorandum of Understanding:

"1. The minister of foreign affairs of Venezuela and the secretary of foreign relations of Mexico will hold annual consultations on matters of mutual concern associated with aspects of the bilateral relations and the regional and world situation that are agreed upon.

"2. The consultations will take place alternately in Venezuela and Mexico, on dates to be agreed upon through diplomatic channels. Special meetings may be called by mutual accord.



"3. The agenda for the meetings will be negotiated through diplomatic channels. Each delegation will include the specialists deemed feasible on the basis of the nature of the topics to be discussed.

"4. If it is regarded as pertinent, in addition to the consultations on the cabinet level, meetings may be held by groups of advisers or planning teams of the two foreign ministries, in alternate locations, to deal with topics of mutual concern.

"5. The two governments declare that this memorandum will supplement the modes of communications already in existence between them, and, in keeping with the spirit of this understanding, pledge to intensify the dialog established through normal diplomatic channels.

"6. This memorandum will go into effect as of the date of its signing.

"Caracas, 6 April 1984.

"Isidro Morales Paul, Minister of Foreign Affairs

"Bernardo Sepulveda Amor, Secretary of Foreign Relations."


2909

CSO: 3348/373

## GUYANA'S HEALTH MINISTER PRAISES COOPERATION WITH CUBA

Havana GRANMA WEEKLY REVIEW in English 8 Apr 84 pp 10-11

[Text]



PRESIDENT FORBES Burnham defined the situation as "a new and more dynamic phase of co-operation." Judging by the flow of delegations of experts and technicians, trade and co-operation between the two countries must be gathering momentum this year.

Officials interviewed in Georgetown, and to a certain extent the local press, aired this same view. Even Guyanese businessmen with whom we were able to talk did not hide the fact that they were ready to be involved in mutually advantageous operations provided Guyanese authorities gave the private sector the green light.

Various sources consulted emphasized, in the understanding of the problem, the complementary nature of the relationship, the advantage of nearby markets, the Caribbean and non-aligned nature of the two parties concerned, the mutual benefit deriving from the transfer of technology and experience or the terms of trade and co-operation. Practically all coincided on the urgent need for development — dramatically underscored by the current world economic crisis — and imperative alternate solutions for which resourcefulness has become a near obsession.

The most authoritative and best qualified source to best appraise the growing flow between the two nations is unquestionably young Public Health Minister Richard Van-West Charles, who is also president of the Cuba-Guyana Joint Commission. A graduate of the School of Medicine of the University of Havana, Van-West Charles pointed out how 1984 marks a substantial increase in trade and co-operation programs between the two nations, manifest in the common desire to find "horizontal" solutions by way of the so-called South/South dialogue.

In the first instance, overall trade, including Cuba's US\$2 000 000 credit line to Guyana, amounts to a total of US\$7.4 million, an unprecedented figure in the two countries' bilateral relations. According to the Guyanese minister, trade is likely to increase as his country is further able to supply export goods.

Trade agreements have been reached on a barter basis, and in principle Guyana is to receive 36 000 tons of Cuban cement in exchange for 5000 tons of Guyanese

rice, plus a substantial quantity of hardwood, plywood, furniture and certain cosmetic lines from Guyana.

The credit line, he explained, would enable Guyana to import from Cuba roughly US\$700 000' worth of pharmaceutical products, fertile eggs for poultry production, spare parts for the sugar industry, and agricultural machinery and parts.

But perhaps most striking in the long-term are Guyanese imports of 310 Cuban milk cows (5/8 Holstein, 3/8 Zebu), three Holstein stud bulls and frozen semen, in line with government programs to make the country self-sufficient in milk production by 1988. Guyana has had to rely heavily on powdered milk imports, which in 1981 alone accounted for an outlay of over US\$9 000 000.

Referring to the even more promising prospects in the field of co-operation, Minister Van-West Charles mentioned how, in addition to the Cuban brigades of doctors and Spanish-language teachers that have been in Guyana for some time now, efforts are being made to open up new areas of economic significance.

Prominent among these is a joint venture for legume production, bearing in mind that various types of beans are basic to both Cuban and Guyanese diet. In forthcoming weeks, a group of Cuban agronomists and technicians are expected to visit Guyana, with a view to conducting a feasibility study to be ready by summer. Van-West Charles is confident that in a couple of years there will be some visible results.

A similar endeavour is contemplated with a view to developing a new Guyanese industry: salt production. Up until now, Guyana has relied mainly on table salt imports from Canada.

As for sugar, the minister continued, Guyana has been a producer for years but can ill afford to confine itself to raw sugar production. This is why a seminar is to be held this year, attended by experts from the Cuban Ministry of Agriculture and the state-owned Guyana Sugar Corporation (GUYSUCO), at which the main topics under discussion will be sugar by-products and cane blights.

Analogous efforts are also contemplated as to possible expansion of the Guyanese tobacco industry, poultry production, fruit processing and scientific co-operation in various projects between Guyana's Applied

Sciences and Technology Institute and Cuba's National Scientific Research Center.

Current programs also include co-operation in the fields of education and sports. Cuba will provide staff and infrastructural materials to support the opening of a Faculty of Medicine at the University of Guyana. In

addition, Cuban qualified personnel--in Cuba and in Guyana--will contribute on technical and methodological levels to what will be known as President's College. Scheduled to open in late 1985, this will be a vocational centre for 560 top Guyanese students.

In the sports field, eight Cuban coaches will begin work in 1984 in eight different sports with the twin purpose of training Guyanese coaches and the population at large.

For its part, Guyana has offered English courses for Cuban university students and staff at the University of Georgetown; and four Guyanese music teachers will travel to Havana to introduce Cuban musicians to the secrets of steel band.

As Minister Van-West Charles rounded off his promising rundown of Cuban-Guyanese co-operation, I deliberately reminded this young political leader of the only reference I have ever seen in the Western press to the "Cuban presence" in Guyana, which consists of a would-be fabulous army of 15 000 troops building Cuban-Soviet military airports and bases deep in the Guyanese jungle.

The half smile on Van-West Charles, face was clearly of one who knows through experience the dirty methods of black propaganda. "As I bade my farewell and left the office, I saw a sign on the wall of an outer office. "No to Imperialism: Guard against Neo-colonialism."

CSO: 3200/22

## BURNHAM ASSESSES U.S. POLICY, GUYANA'S FOREIGN RELATIONS

Havana GRANMA WEEKLY REVIEW in English 8 Apr 84 pp 7-9

["Exclusive" Interview with Guyanese President Forbes Burnham in Guyana; date not given]

[Text]

Granma Weekly Review would like to give an answer to its readers' growing interest with regard to the aggravation of the situation in the Caribbean. Therefore, GWR felt it a duty to visit Guyana — a young Caribbean nation in the struggle for preserving its inalienable right to an independent existence free from foreign interference. Due to its consistent policies, Guyana has been facing a continuous offensive of imperialist and neo-colonialist forces. Profiting from its control or veto power in the international lending institutions, the government of the United States of America tries to subvert this will of the Guyanese government by resorting to repugnant pressures and blackmail against a country whose economy is seriously affected by the international economic crisis. While the International Monetary Fund demands onerous conditions like privatization of rice and bauxite as a pre-requisite for any dealing with Guyana, Washington vetoed Inter-American Development Bank soft loans to be granted to this country. This was followed closely by an even more dangerous development — the U.S. invasion of Grenada.

**QUESTION:** To begin this exclusive interview, I would like to have your assessment — as a prominent leader in the region and as president of a respected non-aligned country — regarding this heightening of U.S. pressures and threats against Guyana, in particular after the events in Grenada.

**ANSWER:** As you know, Guyana has been under pressure from the United States of America. You know of the blocking of or vetoing of two loans, though in each case we subsequently did get the loans, because of the very interesting attitude and support of the other members of the IDB. In the case of the second loan, however, what we did get was a loan — what we call of ordinary capital size — which has longer or rather steeper interest rates and, if it happened to be an FSO or soft window side, shorter terms of repayment. And, in fact, the new loan could cost us over the period something like 65 million U.S. dollars more than if we got it, as we applied for, on a soft window condition.

In addition, the U.S. cancelled a loan — a bilateral loan — which had been negotiated since 1979, and out of which, significantly, there was very little disbursement, except to some African consultants. In every case, their attitude has been that our macro-economic policies are wrong; that the state is too dominant in the economy and we ought to privatize many of our industries, including rice and bauxite, and give greater scope to private enterprise.

It seems to me that the American attitude is dictated by two factors. One, an ideological factor: the present establishment of the United States of America believes that the only way to develop a country is by way of large, private corporations dominating the economy as in the USA, and that — certainly — the state sector should be the minimum. The second reason for their hostility is the position which we have taken internationally on a number of significant matters.

Let's take, for instance, our position on southern Africa. We'd supported the liberation movement; our position way back in 1975, when we supported, in Angola, the MPLA. Also, in questions like the "007" (Korean Airlines Flight 007) where we had abstained because we, like the majority of Americans, were not convinced that there was enough evidence. And we thought it significant that whereas in 1976 no one cared anything about the terrorist act on board a Cubana flight, where we lost 12 young people, there was a "song and dance" being made about the shooting down of the Korean plane, which was very unfortunate of course, but in circumstances in which evidence isn't clear at all. So we felt that unless they were prepared to give us more information, the best we could do was to abstain.

And then, of course, in even more recent times, Guyana was one of the four English-speaking Caribbean countries which opposed the Grenada invasion by the U.S. troops, and we were one of the co-sponsors of the resolution of the United Nations Security Council, and the resolution did get majority support. I think it was something like 11-2, with two abstentions, and hadn't it been for the U.S. veto, it would have been carried.

All these things the U.S. seems to imagine are contrary to their interests, and we are not free to do. Globally,

two things: to be supportive of its own interests and, secondly, to pursue a principled position and to make decisions based on principles. But I suppose it is conceived differently in other quarters.

**Q:** Your government has been promoting the plausible initiative of declaring the Caribbean a Zone of Peace. Due to this, you have an excellent perspective to assess the current tensions in the Caribbean arising from the U.S. efforts to transform the entire region into an American mare nostrum. Indications of this can be gleaned from sudden journeys of other leaders like Mr. Seaga, who is preaching in favour of Regional Security Forces. What can you tell us about this?

**A:** We have been concerned in Guyana also about a build-up of military forces in the Caribbean. Well, you have what is considered the wider Caribbean; you get President Reagan announcing the Caribbean Basin Initiative — he did purport to identify Central America as part of the Caribbean. In fact, you may remember that whatever economic assistance was to be given, the greater part of it was supposed to go to Central American countries like El Salvador, about which we will speak later. There has been a build-up of armed forces in the region and we have supported the concept of the Caribbean being, what you may call, a Zone of Peace.

We don't think that this concept of the Caribbean being mare nostrum has any justification, and in fact it is a threat both to the security and the economic interest in development of the countries in the area. I noticed exercises, joint exercises which have been going on, with Honduras, and you know the two exercises that there had been in the last two years within the Caribbean.

I note that Mr. Seaga and, I think, Mr. Adams and a few others are now talking about the setting up of a Regional Security Force. Significantly, this proposal has come shortly after the invasion of Grenada. And if one looks at the proposal, one gets the impression that it's not so much a security force to protect the territorial integrity of one or another of those countries that are to be involved with the exercise, but rather the building of a force in the context of a cold war conflict.

There is nothing wrong about a country or countries seeking to have security arrangements to protect their territorial integrity. But coming after Grenada, one sees what they really are after is to create a cordon sanitaire around those countries with whose ideology they do not agree. And one can imagine what ideology they themselves would subscribe to; and one knows that these security forces are going to be — in the initial stages at least — trained and financed by the United States of America.

It is a historical pity, a tragedy in fact, that the Caribbean should get into a situation like this.

The Caribbean consists of a number of separate islands and territories, many of them of a greater attraction to European powers than an attraction to their neighbours, primarily because the Caribbean, in the 16th-19th centuries, was a part of the world where the Europeans played out their conflicts. And it seems that here in the Caribbean, once more — as was the case when certain Caribbean countries purported to invite America to invade Grenada — we are reintroducing foreign interference, foreign dominance, and a colonialist and imperialist relationship.

It is indeed a great pity. However, I hope that this will be a passing phase, but, of course, it won't be a passing phase if one merely sits down and hopes it will be a passing phase.

In sum, I would say that the present American establishment has a very simplistic view: you're either for them or you are against them.

And, furthermore, they believe in limited independence. You know you have the right to independence; you can exercise your independence, provided your exercise of your independence coincides with the perception of their global interests. Incidentally, it is interesting to note that certain loans which were to be made available to Zimbabwe were reduced primarily because Zimbabwe was one of those countries which abstained on the "007" resolution, in the United Nations Security Council.

We find also that in certain sections of the American press — notably *The Washington Times* and *The New York Tribune* — there have not only been hostile articles and incorrect reports about Guyana. For instance, one of them is to the effect that we have Cuban-Soviet build-up of troops in Guyana — to fight whom I don't know — and they don't only publish things like that, but they also go on to state in these periodicals — which are not entirely uninspired — that Guyana is a hotbed, that something ought to be done about Guyana and something will be done about Guyana. One Canadian paper actually said: "We are ready for the plucking."

And there has been a more recent and interesting development: there are a number of former Guyanese based in the U.S. who were planning to mount a campaign for the assassination of the leadership of the government — an invasion, so to speak, of our country. They were arrested in the U.S. and one of the principal witnesses for the prosecution admitted that he was aware of the fact that this group had been in contact with the present American administration.

Internally, there have been several efforts at destabilization and subversion notably in the bauxite industry, where last year there was a strike, and there are several other examples including attempts to even subvert members of our judiciary.

We consider all this nearly to amount to a hostility on the part of the United States administration toward Guyana.

When some people asked us why do we get concerned on the possibility of an invasion, I replied to them that in 1982 when the late Maurice Bishop told us of the likely invasion of Grenada, most of us didn't take him seriously. And I say: what has happened can happen because it has happened.

In the international institutions like the IMF, the IBRD or the World Bank we find sometimes an overt or covert hostility on the part of the United States of America and, in one case, actually, our representative was told by one of the representatives of the U.S. that they're waiting to see us change course, waiting to see whether we'll get the message. And this, to us, represents the use of international agencies — financial agencies particularly — for political purposes.

Of course, it is counter to the charters of these various organizations. But if one is to be realistic in these days, regardless of what charters may or may not say, in cases of international agencies it is a practice that political influence is wielded by those who have the voting power. As a member of the Non-Aligned Movement, and quite a vocal and active member also, we come under the general shadow, so far as the U.S. is concerned, under the umbrella of nations which are not supportive of the U.S. policies and interests.

That to me is nonsense. It is not the duty of one nation or another to be supportive of the policies and interests of another; it is the duty of a nation to do

What is of some concern is that there are some Caribbean countries where the leadership or the governments are more interested in supporting foreign interests than in supporting Caribbean interests, in attempting — almost as instruments of foreign agencies and powers — to isolate countries like Guyana, which do not share with them — in our view — certain backward concepts.

**Q:** Another aspect of this U.S. plan would be the deepening of conflicts among countries in the region, with the aim of weakening and eventually destroying the Caribbean community. Within this context, how does the president of Guyana foresee the future of CARICOM?

**A:** In CARICOM, we have always been agreed that we, as a group, subscribe to — I would say — peaceful co-existence, and that there could be a diversity of political forms. But after Grenada, it seems that some of the CARICOM countries believe that there is no room for ideological pluralism in the Caribbean. I feel that, at this stage, it is necessary that we live with ideological pluralism and, I hope, speaking for Guyana, I don't insist that the form of government or the ideological objectives of, say, Jamaica or Barbados, should be identical with those of Guyana, or that they should think what Guyana thinks on certain issues. All we ask in Guyana is that they recognize the fact that we are basically one people, and that we should seek to find areas where our interests converge, where our interests are common, rather than areas where there are differences.

Everyone knows the government of Guyana is left wing. Everyone knows that the government of Guyana is a socialist one. We don't seek to impose our ideas on other peoples; they have no right to seek to impose a particular image or stamp on the entire Caribbean.

I don't know whether they'll be successful, because — put simply — countries grouped as these, such as we find in the Caribbean, in CARICOM — would be potentially rich, but for the moment are poor. Now, what have we got in the Caribbean to conserve?

One doesn't set out to conserve poverty. Conservatism may make sense in the case of certain rich countries. It may, but certainly makes no sense in the context of poverty, unemployment, need to re-structure the economy, need to find new directions and new objectives. I feel that this conservative wave is passing. In terms of the history of people, five or ten years maybe don't matter, but I hope it will be shorter.

In addition, the rumblings of the people, of the masses, indicate that they too want a change from the old order, and object — when the chips are down — to being ruled from outside.

Furthermore, when some of those proponents of the U.S. position are finding that they have sold their souls for nought, I hear some of them complaining that they are no longer getting what they hoped to get in terms of grants and loans and what have you. Others complaining that double taxation agreements are being honoured in the breach. And one of them, particularly, even though he was sponsored by the USA, has ended up not being able to settle a program with the IMF. Guyana hasn't been able to settle a program either, and that is because Guyana has differences of view with the IMF in respect to the conditions the latter is demanding. And furthermore, the latter has admitted it doesn't have the resources to fill the gap. So, how can you settle a program when there is a gap for which the IMF doesn't have available resources?

We find that even among those who one may call supporters of the U.S., particularly in the Grenada invasion, there are leaders who are beginning to question the role that they played, and that gives us hope that they'll find greater independence.

CARICOM has been affected by the recent events. I think that, at first, it seemed as if CARICOM would break up. But especially after the recent meeting of CARICOM held in Georgetown, at the level of the Council of Ministers, I feel that in time, CARICOM will heal the wounds and there'll be greater co-operation.

Some will change their minds; some will have their minds changed for them, and some will be changed. That is the course of history.

**Q:** Unfortunately, events in Grenada also had an impact on neighboring countries, namely Central America. What is your view on the problems affecting Nicaragua and El Salvador and their inter-relation with the problems of the Caribbean?

**A:** The Caribbean, as we know it, is not so isolated insofar as events in this hemisphere are concerned, for one notes what is happening in and around Nicaragua, what is happening with respect to El Salvador. In Nicaragua, there has been a revolution with the removal of the Somozas, which removal doesn't seem to be appreciated by reactionary circles in the USA. And it is alleged that Nicaragua threatens the security of the region; it is alleged that Nicaragua is an instrument or agent of Cuba and of the USSR. And I would say, from our point of view — humourously — it is alleged on the other hand that El Salvador is a bastion in fighting for the preservation of democracy and holding back the communist tide. Certainly, most of those who are in conflict with the old order are socialists, some of them are com-



CAMPERO ADVOCATES 'CONSUMER PRICE CONTROL' PARTICIPATION

Buenos Aires SOMOS in Spanish 6 Apr 84 pp 42, 44

[Interview with Secretary of Commerce Ricardo Campero by Edgardo Ritacco; date, time and place not given]

[Text] [Question] Since you took office, you have been the center of controversy. Do you like that role?

[Answer] I do not like controversy. I am essentially a technician who specializes in international trade. I am an active politician. I do engage in polemics; I do not run from a fight if I perceive bad intentions, certainly not. For example, I did not hesitate to pick up the phone when I heard that misinformation was being broadcast on a radio station. I want to have the right to respond to what is being said so that no misinformation is given.

[Question] So you are not controversial but you like to argue.

[Answer] I like to inform, which is not the same thing. If you or any other journalist says that the index released this morning is wrong, I have a political obligation to pick up the phone and tell the public that the index is right for such and such a reason. That is, no one gives an inch to anyone around here.

[Question] When you came back from Cuba you appeared angry with the economic commentators. Do you think they make you a target of their attacks, that they treat you with particular ill-will?

[Answer] No, no. I was not mad when I came back. The problem is, for an official coming back from a tour of four countries, who out and out challenges any government since 1810 to top what this constitutional government achieved in marketing in 1 week, it is hard to step off the plane and instead of being asked by a journalist how his trip went, be asked if he will resign. If I were the government leader who had signed a contract with this Argentine secretary of commerce and I read in the news that the secretary of commerce was asked such a question, I would doubt the condition of the man who signed. Other journalists were indignant at the question. So were the legislators of other political persuasions who accompanied me on the mission.

[Question] But do you or don't you think they are attacking you expressly?

[Answer] No, I don't think there is any concerted plot. I do not believe in synarchies or centers that run absolutely everything. I understand that here it is newsworthy when an airplane crashes, not when it flies, and that the Argentine press suffered a lot in recent years so it necessarily has to express itself stridently. We are in the news because we set that pattern in motion, and we wanted the community to be aware of prices. It is not pleasant to have people identify me with the price issues, many of which I have no control over; vegetables and meat go up in price and they associate me with it, and I have nothing to do with that. But we wanted the people to debate the issues.

[Question] Speaking of meat, now that a few days have gone by since the ban was imposed, what do you think every time you think of it? Do you see it as a success or a failure?

[Answer] I think success cannot be bought, so I view it as neither a success nor a failure. I regard it simply as an experience, and I assume responsibility for it. The measure was taken within a certain context: The rise in the price of meat was driving up the price index, with the aggravating factor—and this should be taken into account when decision time comes—that at that time there was a storm in the province of Buenos Aires and that would bring the price up to a level that could not be lowered afterwards. Everyone knows that meat goes up easily but not down. In addition, we had changed the financing system and livestock were coming in at a rate less than half the usual rate. I take the blame for the fact that we were unable to take advantage of the leeway we had objectively with the public to ask them to use moderation in their purchases of substitutes; and we were unable to assuage their fears to avoid what I call the "mini-panic of Saturday." On Friday, when I made the announcement, if instead of apologizing to business representatives for the measures that were about to be taken I had communicated directly with the public, we certainly would have had a different reaction.

[Question] But at that time you were about to go abroad, and people saw that the man responsible for the measure would not be in the country the very week when the ban was to be imposed . . .

[Answer] In the first place, we must consider that although I take responsibility for the decision on the signature, this is part of a cabinet action. Two different times were proposed here: one, the trip itself, and the other, the possibility of interrupting it when the "mini-panic" hit. I left Friday night. The main activities at the Leipzig Fair were to be Saturday and Sunday, and I had the alternative of returning to Buenos Aires or continuing on to Cuba. We were constantly assessing the situation on the basis of the telexes we received, which had a strong impact on us. You can imagine what the state of my spirits was; I was not exactly comfortable. I wanted to be in the middle of the battle, but one must take into consideration how difficult the issue is from the viewpoint of the business agents and those engaged in international trade if a secretary of commerce who must make commitments abandons ship over a momentary problem. If I did not go, important meetings, signing documents and contracts that would mean \$400 to \$500 million in exports for this country, all would fall through. Moreover, there is a paradox here. We are told that we govern by the month or by the week, and that we



live for the moment. Then when we make a structural modification in foreign trade, we are criticized for not paying attention to the problem of the moment.

[Question] No more bans? Or maybe more?

[Answer] A government official cannot say I shall not drink any of this water, when it could last 6 years. What will certainly not be repeated is the failure to communicate with the consumer. Every time I read how we communicated that week of the ban, I kick myself for not having given any orientation to the public, for having left it totally defenseless against a measure that is very common in Argentina, where bans have lasted much longer. Now, as for the result of the ban, that is another matter. After time goes by, an economic analysis will be in order to determine what the ban did, what trend it broke. Did you notice that until the ban, everyone was complaining about the price of beef, but since then no one has complained any more?

[Question] Earlier you said you were an active politician. Many say that you want to be popular, to feel popular.

[Answer] No, I don't like to be popular. I am concerned about being unpopular.

[Question] Is there much difference between the two?

[Answer] Yes. Without being popular, you can avoid being unpopular. A short time ago your paper reported that I was whistled at when I waved from the balcony of the Casa Rosada. That was not so. I don't come looking for success, but if anyone whistles at me I worry, because I have some political sensitivity. That would hurt me deeply. I cannot afford to be insensitive when I am told that Mrs So-and-So complained about a price increase and it is my fault. I take the blame for that, and it upsets me. But in the Plaza de Mayo I had a completely different situation; I don't know if any other secretary of commerce of a political organization received the reaction I did in the Plaza, which was not only expressed when I appeared and waved, because they were calling for me from below, but also when I came down and mingled with people in the Plaza.

[Question] You go to the fair every day. Do they applaud you there, too?

[Answer] I go to the fair every day and I tell you, sometimes I am afraid someone will throw a potato at my head. But so far I have not had that problem. Usually they say to me, Don't give up, you are at the hardest point. You are on the firing line; keep shooting, and eventually you will hit your mark, you will be on target. I don't set prices, as everyone knows. So returning to the issue of wanting to be popular or not, I would like to be as unobtrusive as possible. That is my ambition.

[Question] But in this position it is difficult, isn't it?

[Answer] Here the issues make the news, I don't. We turned the price issue around; we want this vital matter to be debated constantly by society, so that

the public will be aware of what a product is worth and will take care of its money. This will create the social basis for modifying the commercial system. I remember that since I was a boy people have been talking about parasitic middlemen, about the commercial mafias and speculators who serve as middlemen, about their buying goods and selling them for five times as much, and no one ever did anything about it. The fact that no one ever did anything about it was because society never debated the issue. There is another facet to the problem, too. In the first month I noted that the price issue focused primarily on the minister of economics. I think that the minister cannot concentrate his efforts on an important but narrow matter such as prices. I had an obligation to face that question. Not to try gallantly to shield the minister or the president, but to take responsibility for this area by keeping my doors open to the press at all times and keeping the public constantly informed.

[Question] Sure, but remember that the day the government took office, one of the biggest ovations was for you. That gave the impression that you had your fans, and it was associated with your participation in the "Franja Morada." Do you have political ambitions?

[Answer] I was one of the founders of the "Franja Morada" in 1967, in Cordoba, and that is one of the greatest sources of pride in my life. It was a very important step, and someday I will write the true history of the "Franja Morada," because it has not yet been written. I think it expresses a current of thought in the interior that is struggling against the ultra-left. Political aspirations? Politics is by definition an activity aimed at modifying, preserving or winning influence on power. In all these stages I have not tried to win influence; in the final analysis I try to modify the nature of power in Argentina. Anyone who has political aspirations in terms of power would not want to be secretary of commerce, or would not take over the Secretariat of Commerce, because it is obviously not the way to garner the most votes or the greatest support. As for the swearing-in ceremony, that has to do with a space, a territory of political activists who know me because I am from Renovation and Change and a member of the "Franja Morada." I should say in all modesty that in 1976, with Grinspun, Elizalde and Garcia Vazquez, we were already predicting what would happen with Martinez de Hoz, and I think that persistence generated sufficient support. Others said that I won this political territory because I am Storani's son-in-law. I met my wife in jail, when she was bringing food to the prisoners, and that is an indication of the value of my relationship to the family and my political activity. I was already an established activist; I was secretary general of the "Franja Morada" and leader of the Argentine University Federation (FUA). So I did not buy success with my marriage.

[Question] When you announced popular price control, what exactly did you mean?

[Answer] That is a matter of terminology . . . We Argentines are prisoners of grandiose definitions. I did not want to allude to what "popular control" implies, that is, that any man in the street can go into a business and ask them how they set their prices. We do not want an Argentina of confrontation, but an Argentina of conciliation. I spoke of control with full public participation; in other words, the municipal government, the provincial

government, consumer organizations or neighborhood centers would assume that task. And I explained that this is related not only to the right to control Don Manuel to make sure he sells his flour at such and such a price, but also to the need for people to begin to acquire consumer awareness. We truly believe in freedom in this area, but we also think that there can be no freedom without the organized presence of the consumer.

[Question] Along the lines of the consumer leagues of the United States and Europe?

[Answer] Exactly. When all is said and done, the market is an expression of supply and demand, and demand here is not organized. There is the example of the United States, where in 1969 women began to call each other on the phone to deal with the huge rise in the price of meat, and they completely reversed the trend. Getting back to labels, I would not talk of "popular price control," which is an expression that would be part of an ideological territory; I would prefer to call it "control of prices by the citizens."

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## PREBISCH ON MEASURES TO COPE WITH ECONOMIC CRISIS

Buenos Aires LA NACION in Spanish 15 Apr 84 sec 3a pp 1, 5

[Interview with economic adviser Raul Prebisch; author, date and time not given]

[Text] Dr Raul Prebisch gave LA NACION 2 hours of his time to talk about the national economic situation. Dr Prebisch's vast experience in the international sphere has placed him in constant contact—in his usual adept and pleasant way—with what is happening beyond our borders. Today those events are having a much greater influence than used to be the case, because of the enormous debt that has resulted from the country's actions and prevailing high interest rates. The lack of knowledge about what is going on in the world became apparent 2 years ago, with very painful consequences for the country. Hence the valuable contribution Dr Prebisch has made as economic adviser to President Alfonsín.

The interview took place in the economist's office at the Central Bank, in the presence of Adolfo Gurrieri, assistant editor of the magazine of the Economic Commission for Latin America (ECLA). "I ask his opinion about everything I write for publication. He is a real censor," explained Dr Prebisch.

The dialogue began with our question about his view of the country's economic situation.

[Answer] The country does not have a clear idea or understanding of the magnitude of its plight.

[Question] Are you referring to the present authorities?

[Answer] They got carried away. There were enormous wage increases in the second half of 1983 (and after a moment's reflection, the veteran economist added) and in the first quarter of this year as well. Employees have been hired needlessly. The government must be reined in to serve its true functions. And large-scale state spending generates inflation. Certainly personnel cannot be discharged until the economy recovers.

[Question] But with the current soaring rate of inflation, how can recovery be achieved without cutting government spending?

[Answer] Yes, it is a vicious circle (said Prebisch, pensively).

[Question] How can we break it?

[Answer] We are paying the consequences of those large raises. But in answer to your question, spending will decline by cutting military expenditures, atomic energy outlays and the purchase of goods by the state.

[Question] But we understand that whatever is cut from these areas will be spent on education, housing and the food plan.

[Answer] Revenues will be reallocated toward more social spending, that is true, but only partially. There will be net savings.

After Dr Prebisch stressed that he had convinced the International Monetary Fund (IMF) of the need to reactivate, he went on to say that in last year's negotiations Drs Wehbe and Gonzalez del Solar actually had already achieved that when the IMF agreed to the stand-by agreement, which called for an increase of 5 percent in the GDP. The reactivation that is expected to take place this year should lead to an increase of 12 percent, stated the former secretary of the United Nations Conference on Trade and Development (UNCTAD).

[Question] But you had claimed that imports should be limited, and a 12 percent growth rate is quite substantial.

[Answer] That is true. Inflation would result if imports exceeded that 12 percent ceiling.

#### Debt and German Indemnizations

At this point we went quickly on to the subject of the foreign debt, and we asked if the heavy Latin American debt and the need to service it with great outlays of resources were not analogous in some way to the payment of indemnizations imposed on Germany after World War I. The size of those payments drained increasing quantities of marks from the German treasury, which led to the infamous hyperinflation.

[Answer] Yes, certainly. That issue was studied very thoroughly by Keynes, who showed that the German economy was unable to produce surpluses of that magnitude. No one paid any attention to him, and the outcome is well known. That situation could be repeated here. Note that one of the largest outlays by the Treasury is interest payments. In the United States the same thing is happening. There the deficit is not monetized; it is not financed by printing currency, but rather by seeking funds on the financial market. But that raises the rates, aggravating the problem of the debtors. Without lowering the U.S. deficit, it is impossible to lower those rates.

[Question] The rise of interest rates in the United States means that the rest of the world ends up financing that deficit.

[Answer] And the Europeans are deeply concerned, Helmut Schmidt among others. The United States is absorbing funds from the rest of the developed and undeveloped world.

### "Market Must Be Preserved"

The eminent economist, without a doubt the most internationally renowned economic specialist from Argentina, went on to remark that the rich countries are moving toward a dynamic disequilibrium. We asked him to clarify that concept.

[Answer] During the whole period of tremendous prosperity after the war, consumption rose notably. Consumer, social and military spending all rose, at the expense of the accumulation of capital. Without the latter, you know that development cannot continue, regardless of the great potential of the capitalist economy and the tremendous effectiveness of free markets.

[Question] The president does not appear to share that view. He accused those who defend free markets of being bombastic not too long ago.

Dr Prebisch appeared not to be listening, and went on: "Where markets have been destroyed, as under orthodox communism, they have been replaced by authoritarian and ineffective decision-making from above."

We thought our interviewee was going to begin talking about Mr Campero when he changed the subject and said:

"Macroeconomic regulation through monetary authority was very effective when the labor sector was passive. But pressures to redistribute wealth, in which the government itself intervenes, cannot be resisted or corrected by monetary controls. It is possible to control the inflation that results from the conflict, as Volcker has done so well in the United States, but the fiscal problem still remains."

[Question] If monetary regulation is insufficient, what other methods can be used?

[Answer] They should be macroeconomic regulation methods which allow the markets to function without interference. Note that another problem of capitalism is technical ambivalence, which on the one hand makes production cheaper but on the other hand contaminates and damages natural resources. These problems cannot be corrected by the markets.

[Question] What means can be used to stimulate the process of accumulation once again?

[Answer] Simply by not taxing it. THE ECONOMIST recently proposed taxing spending and not investment, as had Nixon's Treasury Secretary William Simon suggested previously. Similar suggestions have been made by President Reagan's economic adviser Martin Feldstein, and by Democratic presidential hopeful Gary Hart.

[Question] The Value-Added Tax (IVA) and sales taxes in general tax consumption.

[Answer] But they are inflationary! The reform should focus on the income tax, limiting it to consumer spending and exempting investment from taxation.

[Question] Dr Prebisch, when you were young you knew Argentina as a prosperous country which was among the first in the world. What do you think happened to us Argentines since then, to make us regress so far?

[Answer] When Finance Minister Herrera Vegas assigned me the task of studying the income tax in agricultural countries, he sent me to Australia. At that time Argentina was more advanced than Australia. We have had political conflicts here, and battles over the distribution of income, and the upshot has been an inflation rate that continues to climb. All that has happened even though there are capable people with enormous potential. Look, Dr Gonzalez del Solar commissioned some studies that reveal the great progress that has been made in agriculture.

[Question] But perhaps we Argentines are not so capable, if we have regressed so far?

[Answer] We have suffered from the uncertainty of changing economic policies. Productive efforts have been systematically hampered. Maybe we have gotten used to the good life and we have been unable to adapt to the changes in circumstances (Dr Prebisch concluded pensively).

[Question] Hasn't the import substitution policy been exaggerated?

[Answer] There has been no coherent foreign trade policy. Import restrictions were imposed whenever payments crises arose. In general, the currency was overvalued.

[Question] The limitation of imports produces that effect by reducing the demand for foreign exchange. Here import prohibitions have been and continue to be abundant, and duties have been as high as over 100 percent until recently.

[Answer] But there was also no substitution policy. Imports must be replaced, but rationally, without the exaggerated protection that you pointed out. Protection had to be reduced, but without overvaluing the currency at the same time, as happened a few years ago.

[Question] And how do you view the future?

[Answer] Don't ask me to talk about that, because I am always wrong. But I repeat that there is a lack of clear ideas, and no one understands the magnitude of our plight. How can we convince the Peronist deputies that they are wrong in thinking that everything will improve if nominal wages are raised?

[Question] Don't the Radicals think the same way?

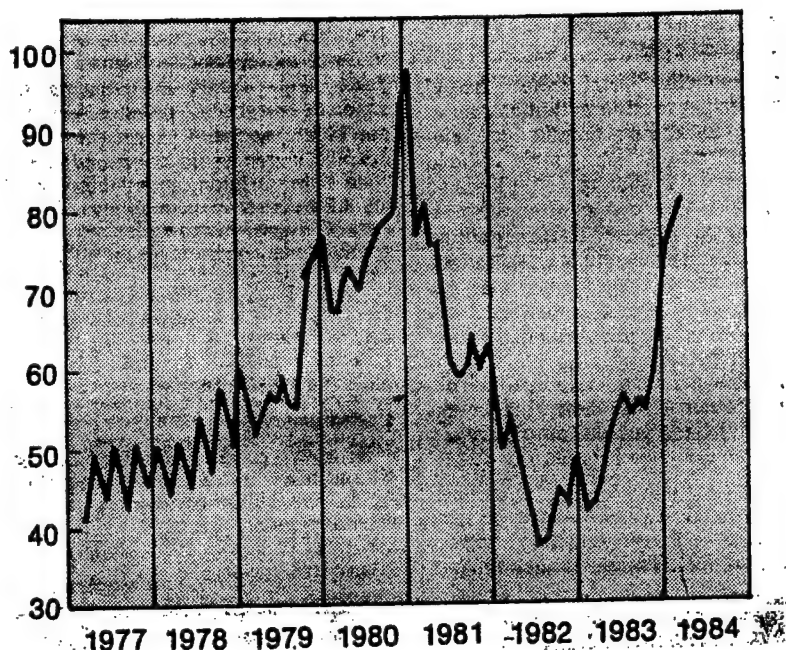


[Answer] If someone contradicts them they call him unpopular (Dr Prebisch continued, avoiding the question). Look what Mitterrand's policy of raising wages and cutting the work week has cost France. In Sweden, the welfare paradise, when it became apparent that something was wrong and they had to devalue the kronor periodically, the Social Democratic Party and the unions got together to study the problem; either wage demands had to be moderated voluntarily, or the alternative was 10 percent unemployment as a result of those demands. It was finally agreed to promote forced savings with a 10 percent deduction from paychecks to purchase stock.

[Question] Are you going to Washington to continue negotiations with the IMF?

[Answer] I am going to Washington, but not to negotiate with the IMF! Grinspun and the officials from the Central Bank and the Secretariat of Planning are there, and they have to discuss figures with the colleagues at the IMF. The latter know Argentina as well as the former, and they ask questions that are hard to answer. But I do not want to take on any more executive tasks. I did this time by special request from President Alfonsin, but in the future I will confine myself to giving advice, because that is my function.

Real Wages of Industry  
1972 = 100 / Deflation by IPMNG



Source: J. Gonzalez Fraga & Assoc.

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## PRESIDENT ADDRESSES FARMERS, DEFINES AGRICULTURAL PROGRAM

Buenos Aires LA NACION in Spanish 8 Apr 84 p 16

[Text] Casilda (from a special correspondent)--A series of important announcements relating to the agricultural and livestock industry was made yesterday by the president of the republic, during the visit that he paid to this locality to attend the ceremony at which the Argentine Agrarian Federation [FAA] symbolically initiated the 1984-85 planting campaign.

Dr Raul Alfonsin, whose announcements we have summarized on the first page of this edition, was received by a large throng of farmers, estimated at approximately 10,000.

The president, who had traveled during the morning from Buenos Aires to Rosario, was met in that city by Governor Jose Maria Vernet and Superintendent Horacio Uzaniga. After receiving the keys to the city from the latter, he came by car to this locality, where a platform had been set up at the General San Martin Liberator Agrotechnical School, and was occupied by the head of state, flanked by the governor.

## Alfonsin's Concepts

The presidential message delivered yesterday in Casilda contained concepts which define the national government's thinking about agricultural and livestock production and the activities associated with it.

After recounting the history of Argentina's agricultural development, and stressing its role in the country's overall progress, the president of the republic stated that, after World War II, the industrialized economies of the Northern Hemisphere increased their agricultural production sixfold, noting that Argentina must confront that challenge and "repeat the feat of the end of the last century."

In this connection, Dr Alfonsin remarked that, to achieve this, "we must understand one major fact: agriculture is an activity that can be increasingly described, without hesitation, as a genuine industrial activity."

The chief executive observed that, for this purpose, the necessary requisites for success are the use of suitable types of technology, and an "intense,

effective business management," that is part of "a context of sectorial policies that will encourage increased productivity and penalize the holding of idle land which is being used beneath its productive capacity."

"A luxury, gentlemen, that the country cannot afford under the present historical circumstances, and that, in the long run, delays the possibilities for growth in the entire Argentine society," he commented in that respect.

After citing measures already adopted by the government with regard to agricultural and livestock development, and mentioning the need for rapid modernization of the activity of the National Institute of Agricultural-Livestock Technology (INTA), the head of state called upon "other sectors of paramount significance to the technification of agriculture," citing among them the firms which produce and market input, independent professionals and the news media.

The president said: "Technifying agriculture and raising its productivity can no longer be the sole responsibility of the producer and the state institutions."

Then (after announcing price supports), Dr Alfonsin emphasized that the two facets of agricultural-livestock progress are "technology and income return," and, after summarizing the measures adopted in the area of fertilizers and herbicides, he explained in several paragraphs the credit policy to be applied, inasmuch as "an increasing technology has prompted the need for the producer to resort to financing."

In this portion of the address, the chief executive had harsh words for the past: "It is impossible to comprehend the insensitivity of the financial sector, relentlessly penalizing those who had chosen the path of production," as he remarked.

He stressed: "They went so far in their absurdity as to propose the privatization of the government banks," before disclosing that "only 10 percent" of the Bank of the Nation's portfolio is currently allocated to finance the agricultural and livestock sector.

Then Dr Alfonsin made several comments regarding the role reserved for the Grain Board in trade, noting that this agency "will continue its active participation in exporting, within the framework of the mixed trade that we have adopted."

In this connection, he said that this activity will make it possible "to add the public effort to that of private business owners, fostering a secure marketing of our crops and at the best prices."

In reviewing the system of prices for wheat, Dr Alfonsin said: "This policy will be no means imply that the state might come to monopolize your trade."

After pointing out that several indicators (including that on farm machinery sales) are disclosing that there are concrete responses for the policy that has been devised, the president of the nation said: "The farmer understands that the mistakes that were so frequent in the past, turning our backs on the agricultural-livestock sector, will not be repeated."

From Mr Volando

The chairman of the Argentine Agrarian Federation, Mr Humberto Volando, speaking yesterday at the ceremony in Casilda, called for the "pooling of efforts by the people and the government, and in this instance, of the rural areas and the government, so that each one of us, in his own way, can produce what may unquestionably be termed some day the Argentine miracle."

After citing the rural sector's willingness to work, and stating that, to achieve recovery, "the producers must not be alone, nor must the government be alone in carrying out its intention of providing order and prosperity in this country," the leader remarked: "It is essential to intensify a dialog without insults between producers and the government, and between the provinces and the nation."

Mr Volando also said that the farmers, combined in the entity that he heads, have assumed the commitment to strive on behalf of better economic and political conditions in the country.

Addressing the authorities present, the FAA chairman declared: "We are telling these members of the democracy of the nation and of the provinces that, while the struggle for the full effectiveness of the Constitution and the state of law has been difficult, we also commit ourselves to another difficult struggle such as the recovery of the republic will be, which will serve to ultimately consolidate the political democracy."

Mr Volando also commented on the country's present situation, noting in this regard that "Argentina has been impoverished by the action of bad Argentines, who plundered our wealth and jeopardized us economically and financially"; but added that now, "there is no other course than to redouble the efforts to recover what has been lost," because "it would be of little use to cry over spilled milk."

The head of FAA also requested in his speech the application of minimal, compulsory price supports for wheat, hailing the decision to form the National Grain Board's board of directors, calling for the allocation of credit in the direction of national high priorities, demanding encouragement for the regional economies and emphatically defending INTA's role in the extension of technology.

From Governor Vernet

Yesterday, speaking at the ceremony held in the town of Casilda, the governor of Santa Fe Province, Mr Jose Vernet, said that the national agriculture

would have to "produce more and better for economic independence, and emerge from individuality and selfishness, transcending the mere limits of our rural areas or our private satisfactions."

Governor Vernet recalled that Dr Raul Alfonsin had told him that it seemed impossible to him for the country to fail to succeed with so many resources, and paraphrased that comment, claiming that the nation would surmount its difficulties, "because even though we shall not stop being more Radical or more Peronist or more Socialist, we shall become more Argentine every day."

The Santa Fe governor had given a reminder, at the beginning of his address, that the ceremony held at the General San Martin Agrotechnical School, in Casilda, had brought together "youth, producers and government representatives from different parties."

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## ALFONSIN PROMISES TO ASSIST FARM SECTOR; MEASURES ANNOUNCED

Buenos Aires LA NACION in Spanish 8 Apr 84 p 1

[Text] Casilda (from a special correspondent)--"Never again will Argentina turn its back on the rural areas," declared the president of the republic yesterday, addressing a large crowd of agricultural and livestock producers summoned to the Agro-Technical School in this locality for a symbolic announcement of the opening of the new agricultural campaign. Dr Alfonsin who, on this occasion, relied on a written document, "so that nothing would be betrayed by memory," made a series of announcements associated with the reduction of prices for agrochemical products, the setting of price supports and credit assistance to producers. He also reported that, the day before yesterday, he had signed the decree whereby the National Grain Board is governed, a measure through which its board of directors is formed, with the current auditor of the agency, Dr Alberto Ferrari Etcheberry, continuing to head it as chairman.

Alfonsin was accompanied by high-ranking national and provincial authorities, including the governor of Santa Fe, Jose Maria Vernet; the minister of interior, Dr Antonio Troccoli; the secretary of agriculture and livestock, engineer Lucio Reca; the secretary of energy, Conrado Storani; and the secretary of commerce, Ricardo Campero; as well as the chairman of the Agrarian Federation, Humberto Volando, and representatives of entities linked with agricultural and livestock activity.

#### The Announcements

During his lengthy address, preceded by those of Governor Vernet and Mr Volando, the president stressed that Argentina is equipped to repeat the productive feat of the last century, emphasizing that, "Agriculture is an activity that can be increasingly described, without hesitation, as a genuine industrial activity."

After underscoring the need for directing the trade policy toward the development and consolidation of markets, he gave a brief account of the decisions made since his government took office, among which he mentioned the reduction in the withholdings for the price of wheat, and the reestablishment of the concept of the price support, the restoration of INTA's [National Institute

of Agricultural-Livestock Technology] autarchy as the first step in its updating and the initiation of the fertilizer program, through the Grain Board, which will supply the product and charge for it at harvest time, at the rate of 2.5 kilograms for every kilogram of urea received; which represents a reduction in cost of about 40 percent in comparison with last year's price.

Then Dr Alfonsin went on to make the announcements, citing first the decision made regarding the corn and sorghum producers of the Northwest, from whom the Grain Board will purchase their production starting on Monday at the day's posted price in Rosario, with a maximum discount for freight of 500 kilometers. That system will also apply to the soybean producers in Misiones and Corrientes.

The president also remarked that, for the next campaign, a price support of 370 pesos per quintal of wheat has been set, which will be readjusted at harvest time to prevent the inflationary deterioration, depending on the changes in costs and prices, and the variations on the international market.

Another particularly important announcement was the one relating to the reduction in the VAT for herbicides from 18 to 5 percent; which means "an 11 percent cut in the price of the end product." He also said that, in this agrochemical area, "a strict monitoring of prices will be carried out," in order to "eliminate possible distortions in the marketing process that could result in unnecessarily high prices."

In addition, the president noted that the Bank of the Nation has been recovered for its function of promoting production and, in this connection, he added: "No farmer will fail to plant for lack of credit; he will have (he went on to say) the necessary funds with which to purchase seed and agrochemical products, as well as to cover labor expenses."

He said that a line of credit has just been approved for the rehabilitation of business firms, whose total debt to the Bank of the Nation will be refinanced on 5-year terms with a grace period to be agreed upon. He commented: "If the efficacy of these programs requires further loans, this situation will be analyzed as well, and sufficient aid will arrive to put the firms into operation."

Before stating, in conclusion, that the increase in production will be possible only with the cooperation of our rural people, the president assumed the government's commitment to extend the benefits of the social work system to small and medium-sized rural producers, "a goal which (he added) we shall attempt to fulfill as promptly as possible."

2909

CSO: 3348/385

## BRIEFS

CORN SOWN AREA REDUCED--The Rural Economy and Sociology Service of the Secretariat of Agriculture and Livestock of the Nation, in a second estimate, is calling for a corn-planted area of 3.34 million hectares. This figure represents a 2.9 percent reduction with respect to the previous agricultural season, and a decrease of 70,000 hectares from the first estimate. With the exception of Buenos Aires and San Luis, the other provinces in which the crop has been spread would show declines of varying size. This holds true for Santa Fe, where the planting in the south has declined by 11.1 percent, for the benefit of the first soybean planting. The greatest drop in coverage will be noted in Entre Rios, where a 38.1 percent reduction has been estimated. [Text] [Buenos Aires. LA NACION in Spanish 3 Apr 84 p 14] 2909

CSO: 3348/385

## ILLEGAL LA GAIBA EXPLOITATION REPORTEDLY ON INCREASE

La Paz EL DIARIO in Spanish 4 Apr 84 p 6

[Text] Santa Cruz, 3 April--According to a local morning paper and some residents of the area bordering Brazil who talked to this correspondent, the mining of precious stones at the rich La Gaiba mineral deposit continues unchanged. Moreover, the illegal exploitation of this deposit may actually have increased.

## La Gaiba

La Gaiba is a lake that lies a few kilometers from the Brazilian border. For about 4 years, large quantities of precious stones have been taken from this area to be sold abroad. They are flown out of Bolivia to Brazil.

## Precious Stones

The mining of precious stones, which supposedly began during the government of Gen Luis Garcia Meza, unleashed a scandal of great proportions; the ex-president himself was accused of corruption revolving around the exploitation of La Gaiba, although public documents legalized the formation of a corporation to work the mine. It should be noted that the former president of the republic, Gen Garcia Meza, according to reports by sources close to him, insistently denied that he derived any personal benefit from the mining of La Gaiba. He asserted that any benefits from the operation went exclusively to the national armed forces, which used the funds to buy equipment and to build the infrastructure.

## Mining

After the military government of Gen Garcia Meza left office, however, the exploitation continued, according to local residents. They do not know where the profits are going, but they are undoubtedly huge. Residents assert that armed groups prevent anyone not involved in the mining operations from entering La Gaiba, and they also say that every day they see and hear twin-motored airplanes (amphibious) fly very low over the area, as if trying to land, or in the classic position of avoiding detection.



## Operation Continues

Thus, after one government was overthrown for allegedly misusing funds from La Gaiba, now the operation continues behind the backs of the Bolivian people, who are being hit hard by a crisis, and it appears that this is the result of the moral decadence of some government officials who, in their quest for illicit gains, have no qualms about carrying out the same reprehensible actions that they condemned when they were in the opposition.

8926

CSO: 3348/365

## GOVERNMENT DECREE APPROVES CONTRACT WITH POLAND

La Paz EL DIARIO in Spanish 3 Apr 84 p 5

[Text] By Supreme Decree, the agreement signed between the Mining Bank of Bolivia and the KOPEX firm of Poland has been approved. It expands a basic contract for the supply of machinery, equipment, spare parts and materials valued at \$2,148,950, to be used in private and cooperative mining activities.

The effective part of the decree reads as follows:

The Council of Ministers Decrees:

Article 1. That the agreement signed between the Mining Bank of Bolivia and the Polish firm KOPEX on 28 September of last year, expanding Basic Contract No. 45 -- 015/92015 of 9 March 1979 for the supply of machinery, equipment, spare parts and materials on credit for a total of US \$2,148,950.00 (two million one hundred forty-eight thousand nine hundred fifty U.S. dollars) for use in private and cooperative mining in the country, be approved.

Article 2. That the terms and conditions of the sale on credit referred to in the previous article be the following:

- 20 percent downpayment
- 80 percent over a 5-year term
- 8 percent annual interest on the balance
- Letter of Guaranty from the Mining Bank of Bolivia

The ministers of state for mining and metallurgy and finance shall be responsible for executing and enforcing this Supreme Decree.

Another Decree

The Council of Ministers Decrees:

Article 1. That the contracts signed between the Mining Bank of Bolivia and the Czechoslovakian firms Intersigma, for \$326,825 (three hundred twenty-six thousand eight hundred twenty-five U.S. dollars), Strojexport, for \$1.702 million (one million seven hundred two thousand U.S. dollars), and Pragoinvest, for \$1,680,870 (one million six hundred eighty thousand eight hundred seventy U.S. dollars), be approved.

Article 2. That the terms and conditions of the sale on credit referred to in the previous article, be the following:

- 20 percent downpayment
- 80 percent over a 5-year term
- 8 percent annual interest on the balance
- Letter of Guaranty from the Mining Bank of Bolivia

The ministers of state for mining and metallurgy and finance shall be responsible for executing and enforcing this Supreme Decree.

Done at the Palace of Government in the city of La Paz this tenth day of the month of February, nineteen hundred eighty-four.

8926

CSO: 3348/364

## SCIENTIFIC-CULTURAL ACCORD SIGNED WITH USSR

La Paz PRESENCIA in Spanish 6 Apr 84 p 7

[Text] Bolivia and the Union of Soviet Socialist Republics (USSR) in 1984 and 1985 will carry out a cultural and scientific exchange program, pursuant to an agreement signed yesterday between Foreign Minister Jose Ortiz Mercado and Soviet Ambassador Extraordinary and Plenipotentiary Serguei I. Kovalev.

The document, signed in accordance with the pact of 25 February 1971 on scientific and cultural cooperation, states that this interchange will cover the areas of science and education, culture and art, scientific research (sharing experiences and organizing reciprocal visits by representatives) and astronomy.

It explains that in the field of astronomy, for example, the reciprocal cooperation will take place between the USSR Academy of Science and the Academy of Sciences of Bolivia, on the basis of the pacts signed on 6 July 1972 and 14 June 1982.

It also states that in the area of education, scholarships for professional training and postgraduate studies will be awarded to Bolivian students.

In addition, tours by artistic groups and individuals will be arranged between the two countries, with cooperation among museums, libraries and other cultural organizations, as well. Another section of the agreement mentions the exchange of information and reciprocal visits by specialists in the field of public health.

After the agreement was signed, both officials expressed their satisfaction with the beginning of this program.

Ambassador Kovalev stated that the documents signed will establish "a stable basis for exchanging literature, films, and cultural exhibits and performances, and will enable both countries to see folk groups and become familiar with national music. This will enable us to contribute to the strengthening and cooperation of our countries."

Finally, he said: "this is just half the task, because this document we have signed is very important in the lives of the people, because we will work together in a single direction."

Ortiz stated that the pact "helps reaffirm the bonds of friendship between our two peoples, and especially ensures that technology can be transferred from a developed country to benefit an underdeveloped country, which is passing through new stages, actions and attitudes each day."

He added: "This educational and scientific exchange will help affirm that we must break our pattern of scientific and technical backwardness through this pact."

8926

CSO: 3348/364

## LA PALCA PLANT REPORTS PRODUCTION LOSSES

La Paz HOY in Spanish 30 Mar 84 p 3

[Text] The La Palca Volatilizing Plant (Potosi) recorded total production of 3,076 tons of tin last year.

According to reports provided to HOY by sources at the Mining Corporation of Bolivia (COMIBOL), this production was valued at \$36 million.

The monthly average was \$3 million, which represents a gross total of resources generated.

## Cost

Other sources revealed that the cost of production at the plant, including the casting of the tin, is \$12 per fine pound.

If that is true, then the plant must be losing at least \$6.40 per fine pound.

## Process

The sources explained that the plant processes the tin concentrates that come particularly from the Unified Mining Enterprise of Potosi and the Colavi Mine located in that same district.

The volatilization is just one part of the overall process that ends with the casting of the tin. Tin ingots are then sent to the foreign market.

The cost of \$12 per fine pound thus includes both the volatilization and the casting of tin ore.

## Deductions

Of the total of \$36 million, according to sources, a series of deductions must be made. First, Unified and Colavi must be paid for the tin concentrates; production costs, personnel wages (566 employees), transportation, royalties, taxes, insurance, maritime freight and various other items must also be paid for.

If there were any profit, it was noted, although at a cost of \$12 severe losses are incurred, it would be taken into account as part of any losses resulting from a strike.

COUNTRY SECTION

BOLIVIA

#### COMIBOL AGREES TO STUDY ALLEGED UNHEALTHY LA PALCA CONDITIONS

La Paz HOY in Spanish 27 Mar 84 p 9

[Text] After a 20-day walkout, the dispute involving workers at the La Palca Volatilizing Plant (Potosi) was settled when the Mining Corporation of Bolivia (COMIBOL) agreed to study unhealthy conditions at the complex within 60 days.

The strike led to losses of approximately a half million dollars at the La Palca plant because of halted production, according to sources at the nationalized company.

"Foreign and national experts on occupational health will carry out the studies of improper conditions at the plant and will examine personnel, but there will be no pay for days not worked," reported authorities.

#### Background

Some time ago the 566 workers, who belong to a union, sent a list of demands to the joint board of directors of COMIBOL, requesting among other things that an educational center be set up and that a bonus be paid for working under unhealthy conditions.

The latter was proposed for all personnel, given that they are exposed to toxic substances given off at the plant that pose a risk to their health.

Twenty days ago they went out on an indefinite general strike, demanding in particular that the matter of the unhealthy conditions bonus be settled. When they did not receive a satisfactory response, more than 100 workers went to the city of La Paz, where after fruitless meetings they "occupied" the central offices of COMIBOL and of the Ministry of Energy, until the problem could be solved.

#### Agreement

At yesterday noon the conflict was resolved when the Ministry of Mining and the COMIBOL board of directors agreed to hire or bring in experts on industrial or occupational health, from the International Labor Organization (ILO) and the World Health Organization (WHO) to study the degree of toxicity at the worksite in the La Palca plant, within a period of 60 days.

Although the government expressly prohibited the creation of new bonuses in any institution, by means of the decree raising pay by 57 percent, COMIBOL will analyze the specific situation of the workers at La Palca on the basis of the results obtained by the international experts. The results of the medical exams that the National Occupational Health Institute will begin administering immediately at La Palca will also be taken into consideration. That institute had signed a previous agreement to undertake the medical examinations.

For the present, according to official sources, there is evidence that although some toxic substances are given off at the plant, they are at tolerable levels and pose no health risk, according to international standards set by the International Conference of Hygienists and the Soviet Union. The latter criterion is taken into account because the plant was built under the supervision of the Soviet firm Machinoexport.

COMIBOL has an obligation, they added, to make every effort to prevent and eradicate unhealthy conditions and their causes, rather than placing the health of its workers at risk and then treating the effects of those risks, they stated.

Once the La Palca workers learned the implications of the agreement, they decided to call off the 20-day-old strike and return to work that day.

8926

CSO: 3348/364



SOVIETS TO SUPPLY 10 TRACTORS TO PRIVATE MINING ENTERPRISE

La Paz EL DIARIO in Spanish 4 Apr 84 p 4

[Text] By Supreme Decree the contract signed between the Mining Bank of Bolivia and the Soviet firm Traktorexport for \$1.2 million in credit for the supply of 10 tractors, has been approved. The tractors are to be used in private mining activities in the country.

The text of the decree is as follows:

Hernan Siles Zuazo, constitutional president of the republic:

Whereas, under the auspices of the covenant signed between the Bolivian Government and that of the Union of Soviet Socialist Republics on 11 March 1976, the Mining Bank of Bolivia has been importing machinery, equipment and spare parts for the development of the country's private mining sector; and

Whereas, said covenant still being in effect, having been renewed for an additional term until 11 June 1986, the Mining Bank of Bolivia has negotiated with the Soviet firm Traktorexport of Moscow Contract No. 61-03-3-360 of 14 October 1983, whereby five [as published] bulldozers with harrows, model DZ 116A, valued at a total of \$1.2 million CIF Matarani, are to be sold on credit under the terms set forth in the preliminary contract that is in effect; and

Whereas, pursuant to Article 6 of the covenant, the Supreme Government must approve any contracts; and

Whereas, the machinery to be purchased is to be used in a productive sector of the country, small-scale mining and mining cooperatives; therefore

The Council of Ministers Decrees:

Article 1. That Contract No. 61-03-3-380 of 14 October 1983, signed between the Mining Bank of Bolivia and the Soviet firm Traktorexport for the sum of \$1.2 million (one million two hundred thousand U.S. dollars) for the supply, on credit, of 10 bulldozers with harrows for use in private mining activities in the country, be approved.

Article 2. That the terms and conditions of the sales on credit mentioned in the above article be the following:

- 15 percent downpayment
- 85 percent over a 5-year term
- 5 percent annual interest on the balance
- Letter of guaranty from the Mining Bank of Bolivia

The ministers of state for mining and metallurgy and finance shall be responsible for executing and enforcing this Supreme Decree.

Done at the Palace of Government in the city of La Paz this tenth day of the month of February, nineteen hundred eighty-four.

8926

CSO: 3348/364

## MINING SECTOR CALLS FOR BROADER SHARE OF GOLD CONCESSIONS

La Paz EL DIARIO in Spanish 4 Apr 84 p 5

[Text] Gold mining should be opened up to all productive sectors of the country: government, private enterprises and cooperatives, with requirements that would guarantee the rational and efficient exploitation of reserves, according to a proposal by medium-sized mining firms.

In discussing this problem, the nation's medium-sized mining firms note that although the extent of gold reserves is unknown, much less the effective productive capacity of the country, "gold certainly has an interesting potential in Bolivia, and in some way it could help meet the nation's pressing need for foreign exchange and for the diversification of the mining sector."

They claim that a gold mining policy should meet some basic requirements. "The first of these is that gold, as a precious and non-renewable resource, should be developed as efficiently as possible, with rigorous adherence to standards for conservation and the proper use of this resource."

For this purpose, according to this national mining subsector, minimum investment and technology requirements should be set forth for those who intend to obtain and exploit gold concessions.

Along these lines, the medium mining subsector refers to a recent provision contained in the package of decrees promoted by the Bolivian Labor Federation (COB) that requires that "advanced technology" be used only in private sector concessions (Supreme Decree 20027, Article 5). "Since private concession holders are mentioned expressly and exclusively, the other sectors (state and cooperatives) are exempt from this requirement; thus, a 'laissez-faire' system has been legalized in the treatment of the gold deposits under their control," it adds.

Later on it points out that probable gold reserves in this country are vast. An enormous effort should be made to develop these reserves and achieve significant exploitation of them, it contends.

"It is logical, therefore, that all the country's productive forces (state, private industry and cooperatives) should be called upon to work for this goal, and that the doors should be opened for all of them, within the

limitations of the requirements that guarantee rational and efficient development of deposits," states the subsector.

This subsector expresses concern, however, that some exclusivist tendencies have been noted, to the point that there have been some attempts to establish a state monopoly. "The driving force behind this trend seems to be the desire to use gold profits to cover the huge deficit run up by the Mining Corporation of Bolivia (COMIBOL), which is expected to reach \$150 million this year, according to official estimates," it asserts.

Regarding the latter point, the medium mining subsector claims that "once again this is a pipe dream, because total gold production in the country amounts to only 20 million, so if all existing operations in the country were transferred to COMIBOL (which is impossible anyway), and even if that production were to double this year, it would barely be enough to cover one-fourth of COMIBOL's deficit."

Finally, it states that it is inescapable that a gold policy must define other basic issues, such as an appropriate and rational tax system, a policy on real domestic prices, and the allowance of certain portions to national production to be exported, balancing the need to maintain the physical reserves in the Central Bank with the need at the same time to generate the foreign exchange the country must have.

8926

CSO: 3348/365

## TIN PRODUCTION DROPPED IN 1983

La Paz PRESENCIA in Spanish 4 Apr 84 p 7

[Text] Tin production fell 5,833 fine metric tons short of scheduled production totals for 1983, according to data obtained by PRESENCIA at the Mining Corporation of Bolivia (COMIBOL).

COMIBOL's production totaled 12,888 tons, 5,718 tons less than the goal for the year, which was 18,607 fine metric tons.

The real production of other firms was 114 tons short of the goal. Only 3,130 tons was produced, compared to a scheduled total of 3,245 tons.

Silver production also fell short of the target. Total production was supposed to be 175.8 tons, but only 150.9 tons was produced, 24.8 tons less than the goal.

COMIBOL was supposed to produce 172.8 tons, but it yielded only 144.5 tons, 28.2 tons less. Other firms managed to produce 3.4 tons more than the scheduled amount of 3 tons, producing a total of 6.4 tons. Overall production fell short of the target, however.

As for lead production, COMIBOL and other companies also produced less than projected. COMIBOL produced 2,085 tons less than the scheduled total of 7,376. The other mining firms fell 15.6 tons short of their goal. The total shortfall was 2,101 tons, since the projected total was 9,802 tons and only 7,700 tons was produced in all.

COMIBOL produced 4.1 tons less than the projected total for bismuth in 1983; the target had been 10 tons, and it produced 5.8 tons, a shortfall of 4,115 fine kilos.

A similar situation took place in copper production. Total production was supposed to reach 3,000 tons, while actual production amounted to only 1,981 tons, 1,076 tons less than the goal.

Provisional figures for tungsten production indicate that the state mining enterprise as well as private firms and cooperatives produced less than the projected total, as a whole. COMIBOL was supposed to produce 465 tons of that mineral, but its actual total was 5 tons short of that, 460. The other firms

produced 142 tons less than their goal of 975 tons, with a total of just 832 tons.

With regard to zinc, there was a shortfall of 7,776 tons. COMIBOL aimed at producing 29,162 tons but achieved only 21,385 tons.

The Mining Corporation of Bolivia also fell 19.6 tons short of its goal for producing cadmium. The target amount had been 118 tons, and real production was 98.3 tons.

8926

CSO: 3348/365

## BRIEFS

**TIN THEFT UNCOVERED**--Oruro, 29 March--A new case of ore stolen from the Huanuni Mining Enterprise, valued at \$250,000, has been discovered. Officials responsible for protecting the property of the Mining Corporation of Bolivia (COMIBOL), known as the Mining Police, seized 30,000 kilos of tin belonging to the Huanuni Mining Enterprise in a raid in the city of Potosi. The tin had been stored in vaults in the Mining Bank in that capital city. According to information revealed by COMIBOL sources, the seizure took place on Tuesday the 20th of this month in the morning, after laboratory tests were done to determine the origin of the mineral. It was later indicated that the mineral was delivered by the Careaga family, and the Mining Bank of Potosi paid nearly a quarter of a million dollars for it. Once the origin of the tin was determined, the 30,000 kilos of tin concentrates was moved to this city on Villa Imperial Day. This new threat to COMIBOL's economy, considered one of the greatest in recent months, was kept in total secrecy by the National Property Protection Office because the executives of that enforcement agency are waiting for instructions from La Paz before revealing any information. Due to the confiscation of this lot of tin, no one is ruling out the possibility that bank officials may be involved in the illegal trafficking of minerals belonging to the Mining Corporation of Bolivia. Finally, it was reported that COMIBOL executives ordered a detailed investigation to find out why 30,000 kilos of tin was allowed to be stored in vaults at the Mining Bank of Potosi. [Text] [La Paz HOY in Spanish 30 Mar 84 p 10] 8926

**MINING EQUIPMENT NEEDED**--Oruro, 27 March--The San Jose and Catavi mining firms are facing serious problems in their production efforts due to the lack of tools, spare parts and inputs, reported union leaders in these two companies, which are under the jurisdiction of the Mining Corporation of Bolivia (COMIBOL). Daniel Ordóñez Plaza, secretary general of the San Jose Workers' Union, indicated that this district will undergo a period of economic and technical deterioration due to the lack of tools and spare parts for mining. "We complained of this situation to the executives of the Mining Corporation of Bolivia," he said, "but so far we have been unable to win any support, financial or technical. The situation in this mining district is growing worse." He added that there is danger that production at San Jose will grind to a halt, posing a serious threat to the economy of that mining enterprise. At Catavi, on the other hand, supplies and mining materials have run out, and according to a statement made in this city by Tomas Quiroz, the secretary general of the union representing workers in this district, the situation is serious. Then he announced that this week workers will travel to La Paz en

masse to demand that COMIBOL executives solve the problem. He concluded by stating that the situation is desperate, so bad that there are no more blasting caps. He added that COMIBOL announced that 10,000 blasting caps would be sent, "which would be enough for just 2 days." [Text] [La Paz HOY in Spanish 28 Mar 84 p 5] 8926

CSO: 3348/365



## GOVERNMENT'S DIPLOMACY REBOUNDS IN AFRICA

PY100205 Sao Paulo FOLHA DE SAO PAULO in Portuguese 8 Apr 84 p 19

[Article by Flavio de Almeida Salles]

[Text] Foreign Minister Saraiva Guerreiro ended his official visit to Lisbon yesterday, and the first reactions from Brazilian diplomats showed that the initiative to get Brazil back into the political picture in Portuguese-speaking African countries was successful.

Brazil had lost ground in Angola and Mozambique, countries which abandoned their ideological radicalism and accepted international negotiations destined to establish coexistence with the racist government of South Africa, to establish the basis for the withdrawal of Cuban troops from Angolan territory, and to make possible the independence of Namibia.

The negotiations process was basically conducted by the member countries of the contact group; namely, the United States, Canada, Great Britain, France, and the FRG. Surprisingly, Portugal worked its way among the negotiators and ended up assuming an important role in the dialogue with the Governments of Angola and Mozambique.

The recovery of Portugal's political image in the eyes of the Africans was fast and effective, and Lisbon diplomacy in a few years left its defensive position and moved into a frontline negotiating position. Nobody speaks of the old Portuguese colonialism, and Lisbon's initiatives as discussed are accepted in Angola and Mozambique.

The process went in the reverse for Brazil. With the immediate recognition of the Luanda government in 1975, the Brazilian Government "redeemed a promisory note on Brazil's association with Portuguese colonialism" (the figure of speech used at the time by the architect of Itamaraty's African policy, Ambassador Italo Zappa), positioning Brazil among the countries deserving the confidence of the African countries. The Brazilian position at the time was very good, and the Portuguese diplomats tried in 1976-77 to form an Afro-Luso-Brazilian community in an attempt to restore links with Angola and Mozambique. Brazilian diplomacy refused to mediate the formation of that community on the grounds that African hatred and resentment against colonialism were still too fresh.

Brazil's attitude prompted Portugal to find its own way, and while it was getting closer to Africa, Brazil failed to deepen the existing political ties because its economic crisis prevented the expansion of economics-commercial relations with Angola and Mozambique.

The changes in southern Africa's political picture alerted Iramaraty about Brazil's secondary position in that continent. In his first foreign policy initiative in 1984, Foreign Minister Saraiva Guerreiro instructed special ambassadors to seek contacts with the negotiators of the African question to get Brazil back onto the diplomatic stage in Africa. The good receptivity by Mozambican Foreign Affairs Minister Joaquim Chissano and Angolan External Affairs Minister Paulo Jorge facilitated Brazil's entrance into the contact group. With such credentials in his hands, Foreign Minister Saraiva Guerreiro discussed the African question with Portuguese diplomats, and Brazil's more active presence can henceforth be expected in securing peace for southern Africa. Should peace be achieved, Itamaraty's move will save President Figueiredo's diplomacy from failure.

CSO: 3342/95

## WEEKLY DESCRIBES CHRISTIAN DEMOCRAT STRUCTURE, LEADERSHIP

Santiago QUE PASA in Spanish 22 Mar 84 pp 35-39

[Article by Adriana Bezanilla: "Inside the DC"; passages enclosed in slant-lines printed in boldface]

[Text] To the right they are "traitors." To the left they are "lukewarm and are going to turn their backs on us again at any moment." In the end, it does not matter. With a bad habit of enlightening others, they talk "about lefts and rights" and having a "very clear" program, most importantly inspired by Christian humanism. (However, they have no intention of monopolizing the church, a distinguished member insisted on explaining.)

In the party, things are settled among friends. It suffices to recall how the presidency of /Gabriel Valdes/ came about. /Claudio Orrego/ was presented as a candidate by the moderates and /Tomas Reyes/ by the progressives. What happened? In order not to divide the party, Valdes was elected on a "consensus" plank, nominated by a "committee of good men." It is not that internal differences do not exist. There are many! However, "the unity of the party comes first."

The statement that those in the DC [Christian Democracy] are "one big family" is no cliché. The truth is that, in addition to thinking the same, they live the same. They marry among themselves, go to the same parish churches (when they go) and even talk the same. One expert explained they had "ghetto spirit." One member even said: "I am a DC first, even before Chilean." He must not be the only one who thinks that way. During the many interviews QUE PASA held, there were always one or more calls from other members to talk about party matters. Those interviewed did not want to disclose their names in order not to hurt the party. They said: "We have a very great responsibility." It is true. The DC seems to be the most organized and united political force in the opposition. It created and leads the AD [Democratic Alliance] and, at least until a short time ago, controlled the National Command of Workers. They all, without exception, stated: "We have the mission of leading Chile to democracy."

## Getting 'Inside'

A lot of water has gone under the bridge. It is no longer necessary for the members to timidly pass a cassette with party instructions from hand to hand. Today they have different means of communication, hold rallies and dare to

demand anything, beginning with the president's departure. Therefore, the DC has decided to adapt itself to the rhythm of the times and replace the old statutes that have concentrated all the authority at the top of the party since 1973, a miniature dictatorship. One leader explained: "We had to adapt to living underground."

The new regulation that reorganizes the party structure also establishes the "modus operandi" for the next general elections. The idea is that in April and May the neighborhood and community boards will be elected. There is still no agreement about the subsequent steps. There are sectors headed by /Gabriel Valdes/ that want the provincial and national elections held through delegates. Younger groups which include /Gutemberg Martinez/ want a direct vote in the style of the U.S. parties. Although the former is the most likely choice, the only thing clear now is that the announced April elections will never be held before August.

They do not even know who will be a candidate. However, a top leader explained: "It does not matter; we know everyone so well." It can be deduced that the candidates will not be new faces. In any case, Gabriel Valdes has been concerned about announcing that he is willing to be reelected. The question is under what conditions. The "Valdesist" groups (meaning more than progressive) want and state that there will be a single slate, one of "consensus." (It is one of their favorite words!) In other words, it will be like now: Valdes at the head with a board that represents all sides of the team. However, there are many who feel it is necessary to preach by example, practicing democracy "at least internally." Therefore, they insist on the need for an alternate slate. Those groups have been pressuring more moderate men like /Patricio Aylwin/, /Juan Hamilton/ or /Narciso Irureta/ to accept the nomination. However, it appears that the only one willing to continue is Valdes. The others have excused themselves saying that "none of us who have worked with Gabriel (all the above mentioned) wants to fight him for the position." It is traditional to protect the rear even though they make different statements. One member of the Political Committee told us: "Those more openly opposed to Valdes are Aylwin and Zaldivar." This goes back to 1968 when they fought against union with leftist groups of the UP [Popular Unity], an action that Valdes supported.

Zaldivar refused the nomination due to his position as president of the international DC but said that he "would agree if they twisted my arm." Irureta, who is considered "the man of consensus" (again that word!), answered the same. The other nominee would be /Osvaldo Olguin/ who would have asked them "to save it" for later because he wanted to retire first. One "comrade" confided to us that it was an expensive pastime to be president of the DC: "In addition to doing politics, one has to make a living!"

Based on the inquiries made by QUE PASA, the most likely possibility is that there will be a slate headed by Valdes in spite of the fact that his opponents threaten to put "many obstacles in the road." He is recognized for having maintained party unity and for forming the AD. /Jose de Gregorio/, national secretary of the DC, stated: "There is no political reason to change him and, anyway, presidents have traditionally been reelected." However, there are

those who feel he has made serious mistakes. He said there was no alternative for the country as long as Pinochet did not change, just when Jarpa proposed beginning the dialogue. He is so temperamental he will stop talks because a guanaco got him wet. The youths especially do not want him. One union leader elegantly called him a "little monastic" and the great majority of his opponents accuse him of flirting too much with communism.

Nevertheless, the sharpest people state that Valdes' leftism obeys political calculations rather than a real ideological conviction. One explained: "We DC members are consenting anarchists; we are like amoebas...." He stated that Valdes was a representative sample of these characteristics. One local leader told QUE PASA that there was so much discontent in the base sectors that it was a "culture medium" for communist infiltration. Therefore, if the DC wanted to have any future, it had to lean clearly toward the left. He exclaimed: "Enough of being lukewarm!" One member recognized that "unfortunately, some-one more moderate would not have been able to do what Valdes has done for the party."

#### What About Circulation?

A young member stated: "There are no divisions in the party!" After a few minutes, he asked: "They say I am a beatnik? But I am a moderate!"

Although they deny they are divided into two blocs--stodgy and beatnik--it is obvious that there are moderate and progressive tendencies. There are groups that more openly attack the government than others. They do not necessarily coincide with the first. Zaldivar, for example, is a moderate but he holds a very hard line toward the regime. It is normal for those who were exiled to show a little resentment. What Enrique Krauss said to QUE PASA (No. 664) is very illustrative: "With the winds that begin to blow, the government is making us all more beatnik...." It is a fact that the last 10 years have united the DC.

The current differences showed up after the coup. While Aylwin, in the name of the party, recognized the legitimacy of the military government, a group of 14 of his party members condemned the "overthrow of the constitutional president." These last included /Renan Fuentealba/, /Radomiro Tomic/ and /Belisario Velasco/. This more leftist tendency has always been there but in the minority in party leadership. This has been repeated in every generation in the DC. According to a well-known member, the current top leadership would be equivalent to retired generals (Leighton, Tomic, Irureta). Then would come the active-duty generals (Valdes, Hamilton, Aylwin, Zaldivar) followed by the colonels and lieutenant colonels (Rafael Moreno, Raul Troncoso, Genaro Arriagada, Gutemberg Martinez, the Freis and many others). They are the relief generation. There is total agreement that the most promising is Rafael Moreno ("buried treasure?"), the great proponent of the agrarian reform who was a senator with the support of the right in 1972. That is incredible but true. Other possible candidates are the Freis whose name helps them a lot. It is said that the new regulation that eliminates the Women's Front to incorporate women "under equal conditions" could favor Carmen Frei's possible candidacy.

The youth are mostly moderates. Their leader, Miguel Salazar, is and he is one of the few leaders who has been elected at the base. It is said that this is due to the fact that they have had to confront communism more. One youth emphasized that there are also "less traumatized" groups, like Guillermo Pickering, that follow Valdes' line or even hold truly progressive positions. These last would be headed by Guillermo Yungue who heads the Committee for Youth Rights. It includes people of all colors, certainly from the left. One reliable source stated: "Extreme positions will never prosper in the DC because there will always be someone more extreme than them: the PC [Communist Party]."

#### Time for Definitions

One of the points that produces the greatest friction is precisely definition of the position toward communism. We already saw that there are sectors willing to come to terms with them and others willing to reach agreements on certain matters like /Fuentealba/ or /Guillermo Hormazabal/. The majority agrees that there can never be a formal alliance but do not consider it inappropriate to act together in "social mobilizations" (meaning rallies, events, etc.). One leader stated: "If I am shouting to change the government and a communist starts to shout next to me, I am not going to tell him: either you shout or I shout." However, there are many people who are not willing to pay the price of adopting only a collision course to destabilize the regime. There are people who do not like to be confused with the communists: "If we appear united in the MDP [Popular Democratic Movement], we weaken ourselves as a future democratic political alternative."

The technical-professional fight must be added to all this. There are clearly two groups. On one side are the people of CIEPLAN [Corporation of Economic Investigation for Latin America] supported by Gabriel Valdes. They advocate a socialist economic organization with greater restriction of private property. In the other group there are people like /Andres Sanfuentes/ or /Juan Villarzu/ who lean toward a more libertarian position like the European DC. Apparently the latter is the larger group but with less influence on the party leaders.

As to relations with the right, that is where we find the most varied opinions. They range from those who feel "we don't trust the right which got off the boat now that things are bad" and state that "the only democratic right is the Republican Right" to those who state (looking like they are making a great concession): "We forgive everyone...." /Andres Zaldivar/ stated: "We do not exclude anyone who wants to find a 'consensus' (!) and fight for democracy. However, we are not willing to make alliances with the communists or with anyone who has had any commitment to the regime." However, Patricio Aylwin recognized some time ago that, in the first years of the government, some members received party "permission" to hold government positions.

AD: Obsequious or Effective?

"Even if the DC had 51 percent of the votes, it would still have to find an ally to support its government," stated /Andres Zaldivar/. A former member replied ironically: "As long as they give the orders." However, the DC

members say they have learned their lesson. For democracy to survive, it is necessary to break the three traditional ties in the political geography of the country. This led to the AD. It was Rafael Moreno himself who first thought of it.

To the DC members, the AD is a long-term pact. They want it to become a political alternative for government. However, their partners do not agree. "Once the regime changes, the pact is over," said the people we interviewed. The question is, how are people with such different philosophies like a socialist and a rightist going to agree about how to lead the country? It suffices to look at something similar like the possibility of accepting the /National Party/ in the ranks of the AD. Some say they would welcome it "with open arms" (Social Democrats) while /Armando Jaramillo/ (of the Republican Right!!) stated: "We are moderates. It is necessary to look at what the country wants...we would take three votes."

Apparently this opinion has led the AD to go "through all the motions" with the socialists and communists of the MDP. No one knows with certainty who controls it. Why did the AD change the rallies it had planned for 31 March for the protest on the 27th? Because the leftist sectors imposed the idea on the National Command of Workers and there was no choice. Perhaps to defend their pride, they decided to at least issue separate calls from the MDP. They explained that this was due to differences in the "political strategies."

One event that will perhaps determine the trend that the DC adopts from now on will be the Union Session that will be held in May. All the boards will be elected then. This will show whether Bustos' line (supported by Valdes) triumphs; it wants to form a single broad front with the left in the style of the memorable CUT [Sole Central Organization of Chilean Workers]. Or will the line of the moderates like Rios or Vogel who want to maintain their independence with more than one union triumph? One leader stated: "The sole central organization of workers is the same as delivering ourselves up to the communists."

The real DC would be a third line, upheld perhaps by the leaders of oil (Di Giorgio), copper (Seguel) and the State Bank (Baeza). In any case, this will be an announcement of what comes next. Although not unconcerned, the DC members state that they will try to reach a "consensus" (...) "for the good of the party!"...and the country.

Where Is the DC?

There are 25,000 members throughout the country (according to the reregistration done by the party so far). In 1973 there were 64,000 members.

It has an absolute majority in the UDT [Democratic Union of Workers] led by Ernesto Vogel, DC leader.

It has 13 of the 25 members of the National Command of Workers.

There are about 3,700 professionals registered.

It has the following parapartisan organizations: ICHE [Chilean Institute for Humanistic Studies], CIEPLAN, CPU [Corporation for University Promotion] (of the Konrad Adenauer Foundation), CED [Center for Development Studies] and a team of the Alternate Project.

The communications media controlled by DC members include: HOY, ANALISIS and FORTIN MAPOCHO magazines; and "Cooperative," "Santiago" and "Carrera" radio stations. Some church media also agree with the DC statements.

PRODEN [expansion unknown] and the Group of 24 are organisms led by the DC that tried to play the role of Chamber of Deputies and Senate, respectively, to denounce government errors. After the opening, they lost all importance.

#### Present Structure of the PDC

Political Committee: Formed by the president of the party, the two first vice presidents and 10 freely elected members.

Plenary: Formed by the Political Committee plus the national secretary and the rest of the board, the directors of fronts and three provincial representatives.

President: Gabriel Valdes

Vice presidents:

No. 1: Patricio Aylwin

No. 2: Narciso Irureta

No. 3: Raul Troncoso

National secretary: Jose de Gregorio

Freely elected members: Enrique Krauss, Ricardo Hormazabal, Genaro Arriagada, Miguel Aylwin, Gutemberg Martinez, Arturo Frei, Benjamin Prado, Ignacio Balbontin, Belisario Velasco, Claudio Orrego (+)

Provincial representatives:

Santiago: Mario Parada

Valparaiso: Gustavo Cardemil

Concepcion: Edmundo Salas

Directors of fronts:

a) Youth

Miguel Salazar

b) Women

Carmen Frei

c) Union

Ernesto Vogel

Assistant director: Manuel Bustos

Advisers:

Daniel Retamales

Orlando Morales

Enrique Mellados

Santiago Pereira



Executive Council by areas:

(Command presidents)

Fishing: Hector Basoalto

Metallurgical: Jose Alarcon

CEPCH [Chilean Confederation of Private Sector Employees]: Mario Segura

Copper: Rodolfo Seguel

FFCC [Chilean Railroads]: Sergio Nunez

Banking:

Private: Juan Gonzalez

State: Hernan Baeza

Large mining:

Chuqui: Ramiro Vargas

Salvador: Sergio Barriga

Teniente: Eugenio Lopez

Construction: Sergio Bravo

Textiles: Miguel Vega

Peasants: Enrique Mellados

Maritime: Eduardo Rios

Oil: Jose Ruiz di Giorgio

Teachers: Alfonso Bravo

Public: Milenko Mihovilovic

Electricity: Hernan Jofre

We omitted the provincial presidents since there are so many.

Note: Other very influential factors in the party outside of the formal structure cannot be ignored.

Former presidents: Renan Fuentealba, Bernardo Leighton, Jaime Castillo, Osvaldo Olguin, Patricio Aylwin, Narciso Irureta, Tomas Reyes and Andres Zaldivar

The "committees":

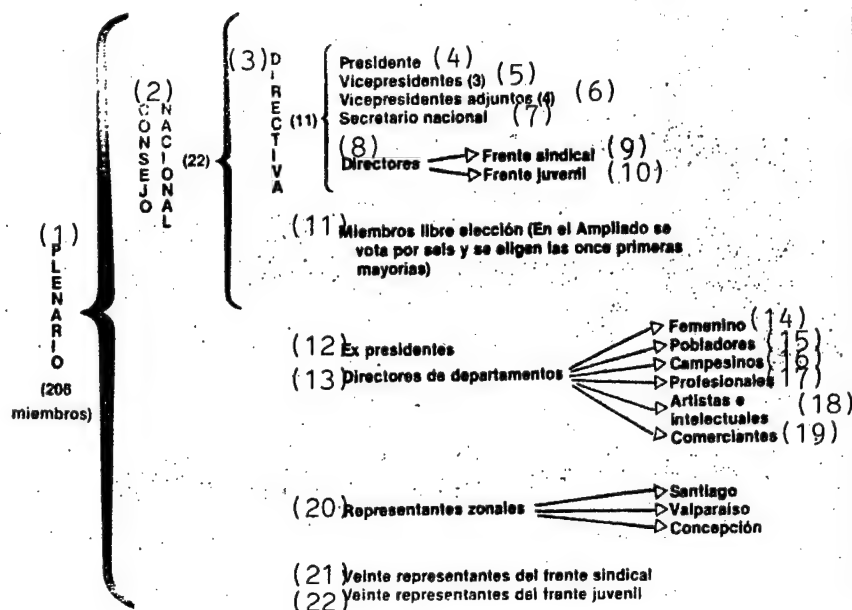
Publicity: Updates "who's who" in the mass media and establishes direct or secret contacts in each one of them.

Creative: Suggests the political strategy.

Social mobilization: Develops protests and public demonstrations against the regime; concerned that "the militant cells infiltrate all the organizations of the dictatorship."

(Information obtained from party members.)

# Future Structure of the PDC



## Key:

- |  |   |
|--|---|
| 1. Plenary (206 members)   | 13. Department directors                      |
| 2. National Council (22)   | 14. Women                                     |
| 3. Board (11)  | 15. Urban dwellers                            |
| 4. President   | 16. Peasants                                  |
| 5. Vice presidents (3)   | 17. Professionals                             |
| 6. Assistant vice presidents (4)   | 18. Artists and intellectuals                 |
| 7. National secretary  | 19. Businessmen                               |
| 8. Directors   | 20. Zone representatives                      |
| 9. Union front   | 21. Twenty representatives of the union front |
| 10. Youth front  | 22. Twenty representatives of the youth front |
| 11. Freely elected members (they vote for 6 in the Session and the top 11 are elected) |   |
| 12. Former presidents  |   |

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## MNR CRITICAL OF PRESIDENTIAL ELECTIONS

San Jose LA NACION in Spanish 22 Mar 84 p 8C

[Text] (Paid Space) National Revolutionary Movement (MNR), San Salvador, El Salvador, C.A., to the Salvadoran people:

The "National Revolutionary Movement" (MNR) Party rejects the March presidential elections.

The Elections Are Not a Solution at This Time

The "National Revolutionary Movement" (MNR) Party, registered with the Central Council on Elections since 1968, founded to interpret and direct the action of the Salvadoran people in the search for and construction of a society based on respect for human dignity, and defense of economic, social and political rights, declares to the nation's conscience that the forthcoming presidential elections do not constitute a solution for the serious conflict that the country is experiencing.

MNR denounces the elections of March 1984 as a farce and a strategic maneuver on the part of the enemies of the real Salvadoran people: a farce so long as there are no facilities for holding elections all over the country, according to a truly democratic, participatory system; and a maneuver because the electoral consultation seeks to legitimize inside our native land a stand-by status that is authoritarian, exclusive and supported by the sole force of arms and backing of the death squads.

The state of civil war in which the population has found itself since the beginning of January 1980, at the time of the fall of the first Revolutionary Government Junta that had come into existence on 15 October 1979, absolutely does not foster the electoral method that President Magana's government has proposed as an alternate solution. Without political space for the revolutionary democratic sectors, the elections are a mere cosmetic for export. The Army high command, or at least part of it, is responsible for the right wing orientation of the military coup of October 1979, betraying the political and economic objectives of the Armed Forces Proclamation, and leading the country to the slaughter of the most brutal repression that has ever been known in the history of El Salvador.

The most recent social lesson shows that it is impossible to continue deceiving the people with electoral masquerades. The device of the "legitimization" through fraudulent votes, the advertising campaign about empty, false programs and the futile battle by candidates financed by the anti-national right, residing in Miami, or corruptors and demagogue pretending to be "reformers" is no longer bringing results. The spectacle, amid the battle being waged by the labor unionists for their rights, is tragic.

#### Elections Will Not Change the Situation

It is a verifiable fact that the elections of March 1982, which we opposed with the very same reasons that we are voicing now, exacerbated the Salvadoran crisis with the consequences that are being borne at present. Let us reflect on a few aspects.

The extreme right, in association with military torturers, imposed itself upon the Christian Democrats and their sponsors in the State Department. The product of the elections of March 1982, the final count of which was enlarged and "arranged" by the computers, caused the establishment of a Constituent Assembly which did away with and denied the social reforms that a group of young members of the military had promoted in the Armed Forces Proclamation of 1979.

The spurious elections of 1982, the installation of that Constituent Assembly, the appointment of a provisional president of the republic at the proposal of the United States Embassy and behind the people's back, the approval of the Constitution of 1983 and the calling of presidential elections made no change whatsoever in the real state of war, death and despair among the Salvadoran people. We are in the same or a worse situation than in March 1982. The economic crisis is striking all sectors, and the social disintegration is causing deepseated hatred and resentment. The prospects for insurrection among the rural and urban masses are still in view, regardless of how much the Army strives to defend the old system of domination, under the pretext of protecting the democratic freedoms that have always been denied the majorities.

The presidential elections of March 1984 will not change the present state of polarization and violence in any respect. They are being offered by the fascist regime to gain military time and to check serious differences within the Army. In the place of the impotent, opportunistic image of Alvaro Magana, an attempt is being made to put a corrupt individual, willing to surrender the national territory and flag to the first freebooter who offers a few more dollars. The new president will have the honor of requesting the landing of American Marines to aid the oligarchical regime which is in its death throes.

Whatever the election results are, the essential problem will not be solved by compulsory voting under threats to the citizens. We revolutionary, democratic forces do not recognize the Constitution of 1983 as being legitimate, so long as it hurts the interests of workers and peasants, and so long as it fails to be a genuine social pact underwritten by the historical subjects of the conflict.

Nor do we back the election to be held in March 1984, because it is an election planned by the right to resolve express issues among groups of the same right. The real people are missing from the electioneering machinations, and hence there is no national nor popular consultation.

#### Dialog and Negotiation, the Only Alternatives for Seeking Peace and National Reconciliation

Based on the unquestionable fact that our country is experiencing a state of civil war, the National Revolutionary Movement, within the FDR/FMLN [Revolutionary Democratic Front-Farabundo Marti National Liberation Front], has supported a concrete plan for dialog and negotiations with the democratic forces willing to surmount the crisis in the Salvadoran society and state.

In opposition to the elections and their results, MNR proposes, together with its allies, the establishment of a provisional government with broad participation; a government legitimized by the real actors in the politico-military confrontation, which would be obliged to guarantee a pluralistic, independent, democratic process that would respect human rights and freedom for labor unions and associations, ensure leeway for action on the part of the Catholic Church and other churches in their evangelizing mission, and immediately initiate a policy of mutual respect with the United States, with the assurance that, in the new regime, there will be no extracontinental interference in the internal affairs of El Salvador. The provisional nature of that government, resulting from a pact between FDR-FMLN and the Salvadoran Armed Forces, FDR-FMLN and the modernizing capitalist sector of the country, and FDR-FMLN and the non-oligarchical political parties, would have as its prime goal a truce in the politico-military battle and the signing of a stable, lasting, internal peace treaty, which will allow for and facilitate national reconstruction and the unity of all Salvadorans.

The FDR-FMLN proposal transcends the electioneering context of the campaign that the traditional parties are carrying out at present. It is an offer of a real solution, if studied in all its political, economic and military dimensions. It is the first step toward an in-depth discussion of the problem, one putting an end to the structural and institutional violence which is currently precluding national security and calmness.

#### MNR Will Do Nothing to Prevent the Elections

The "National Revolutionary Movement" (MNR) Party is of the opinion that elections, if held under conditions marked by respect for the ideas of the citizens from all sectors and all political organizations, are a suitable means for settling positions and attaining power. Under the present circumstances, such conditions do not exist.

The military-oligarchical power structure has generated fear and terror among the citizens. Democracy has been trampled upon. Army high commands and extreme right wing parties have violated human rights, committed outrages against the citizens, caused opponents to disappear in clandestine jails and

protected the death squads; all of this committed with the participation of the state's security corps. This kind of thing cannot be allowed.

MNR will not participate in the March elections. So long as the assassin of Msgr Oscar A. Romero, the voice of those without a voice, remains unpunished; so long as the crime perpetrated upon the leaders of the Revolutionary Democratic Front (FDR) is not explained; so long as there are exiles, political prisoners, missing persons, and persecution of labor unions and associations; so long as the University of El Salvador is subject to intervention; and so long as the purpose of elections is to "legitimize" and legalize the death squads, MNR will refuse to participate in the electoral farce.

There will be no active boycotting of the elections. Our organization maintains that presidential elections, under military pressure, under martial law, without a reliable electoral registration, with many mayors' offices lacking civil records, with electoral forms printed in numbers exceeding that of the voters and with computer machines programed to give impressive figures on voters, become a farce which discredits the representative democratic system even more. The electoral masquerade is, therefore, expensive, useless and unnecessary.

MNR calls for a political struggle with civic resistance, before and after the elections.

People of El Salvador: No candidate is a solution to the national problem; there are no parties nor politicians who are "lesser evils"; they are all tools of the imperialist policy.

If they force you to vote, see to it that they stamp your identity card, and remain steadfast in our revolutionary, democratic movement.

These elections are not elections of the people; they are against the people.

Long live revolutionary-democratic unity!

MNR Political Commission

San Salvador, Mexico, March 1984.

Authorized signature: Margarita Solorzano Burgos

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## MIPTES DISPARAGES U.S. IMPOSED ELECTIONS

San Jose LA NACION in Spanish 24 Mar 84 p 3B

[Text] (Paid Space) Democracy and the Elections in El Salvador

No one in the Western world can boast of the long, grievous history of the Salvadoran people, or the existence of the outmoded oligarchy and the right-wing military dictatorship that has been oppressing, exploiting and assassinating them for over a century: an oligarchical minority that has seized for itself the ownership of the land, the banks, and foreign trade, and that is engaged in big business protected by the power of the state, in collusion with a clique consisting of corrupt, murdering, bureaucratic military; a greedy oligarchical minority that has never considered the welfare and freedom of the working people, and that has never accepted reforms, however minimal, even the false reforms of the Duarte government and the U.S. State Department. Hence, this is an oligarchy that has reigned ruthlessly.

In El Salvador, the lack of minimal socioeconomic conditions has been accompanied by a lack of freedom and political democracy. For example, the elections in our country have always been a farce, because before they are held the oligarchy, the military high command and the American ambassador "elect" the new rulers. Therefore, the elections have always been forced events imposed by the plans of the oligarchy on the people, through propaganda and coercion. It is well known, internationally, that in 1972 and 1977, on the occasion of the opposition's (UNO [National Union of Opposition]) victory in the presidential elections, the sovereign will expressed at the polls was evaded with scandalous electoral frauds, and with repression against the elected candidates and the various large-scale popular demonstrations. This is the only explanation for the fact that PCN [National Conciliation Party] has remained in power uninterruptedly for 20 years. Agreed upon in the same way, under the sponsorship of the United States Government, was the Christian Democratic Party's [PDC] pact with the Armed Forces (1980-82), as well as the designation of Alvaro Magana as provisional president (1982-84). This is how the next president and vice president of El Salvador will be elected: not through the exercise of the people's sovereign will, but rather through an agreement between the United States Government, the military high command and the oligarchy. It is no secret that the elections of Sunday, 25 March, were imposed by the United States Government on the oligarchy, the Army and

all the rightwing political parties which, with weak objections, agreed to hold them, thereby contributing to the global interventionist strategy that the United States is implementing in El Salvador and Central America.

The parties which have proven to represent the interests of the majority sectors of the Salvadoran people are not taking part in the current Salvadoran elections. The electioneering political parties (ARENA [National Renewal Alliance], PCN, PDC, PAISA [Salvadoran Authentic Institutional Party], MERECEN and PPS [Salvadoran Popular Party]) are acknowledged tools of the oligarchy, some more overtly than others. For example, the popular, democratic forces combined in FDR [Revolutionary Democratic Front]-FMLN [Farabundo Marti National Liberation Front] are not participating in those elections. These elections ignore other facts such as: the control which the FMLN forces have in more than 80 municipalities out of a total of 261 in the national territory; the wave of strikes for demands by over 20,000 public workers (ISSS [Salvadoran Institute of Social Security], ANDA [National Administration of Waterworks and Sewers] and MAG [Ministry of Agriculture and Livestock]) in San Salvador; and the widespread uneasiness among the population as a result of the terrorism and genocide. In addition, statements by members of the Central Council on Elections (Electoral Court) have claimed that, in the current elections, "according to them," there are over 300,000 forged personal identity cards. And, finally, to guarantee the population's attendance at the election polls, the Constituent Assembly decided to fine Salvadorans who do not show up to vote on Sunday, 25 March (Article 132 of the Electoral Law).

We Salvadoran professionals and technicians are of the opinion that the elections of 25 March, like those of 1982, cannot bring the peace with justice which the people want and which the right wing parties and Alvaro Magana's government have constantly promised them. The elections have never been a solution to their problems and, on this occasion, they are a maneuver of the Reagan administration used by it to convince the American public and the world that they are supporting militarily a "legitimately" elected government and, ultimately, concealing the by now brazen intervention in the internal affairs of El Salvador and Central America.

The electoral farce is not the solution!

San Jose, 24 March 1984

National Executive Council

Independent Movement of Salvadoran Professionals (MIPTES), member of FDR

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## LACK OF HOUSING FOR POOR CAUSES LAND SEIZURES

## Threats to Security

Guatemala City LA RAZON in Spanish 26 Mar 84 p 4

[Text] The serious problems posed by the shortage of low-cost housing and the virtual unavailability of vital services such as potable water—to name just two aspects of this far-reaching socioeconomic problem—have begun to explode, regardless of whether the people involved are being manipulated by political agitators.

These manifestations of the magnitude the housing shortage has reached are a new factor in the current situation facing security forces. Aside from dealing with common crime and attacks by insurgents, they must also exercise control over those groups of people who take over land, in order to prevent future violence.

It is widely agreed among political leaders that this poses a real challenge to those responsible for making housing policy in our country, in that they will have to come up with specific, urgent measures to stop these "invasions."

People who have no house or even a roof over their heads have begun to "take over" land belonging to the National Housing Bank (BANVI), to Guatemala City, or to private individuals. There they immediately begin to build huts.

In the last 10 days about seven "invasions" have taken place. The area favored by these homeless groups has been Zone 7, the very place where the "El Amparo" [shelter] development is located.

Several lots owned by the National Housing Bank were occupied temporarily there, until the police came and warned the "invaders" to withdraw. Initially they obeyed, but they once again occupied the place, in open defiance of the authorities.

On 21 March about 1,000 people arrived at approximately 0130 hours and took over the northern side of "El Amparo," a piece of land already broken up into lots that belongs to BANVI. When special police units (BROE) and other squads arrived, they left.

At 1645 hours they returned. On that occasion there was an opportunity for "negotiations" between the leader of the invaders, identified by police as Willy Jacobo Lee de Leon, and security forces.

Also present was a representative of the legal authorities, and they reached an "agreement" that the squatters would leave the area, and at the request of the legal official, the police agreed to maintain constant surveillance in the area. Agents of the fourth corps of the police were assigned to that task.

#### Transportation Problems

In conjunction with these "invasions" of land, a demonstration broke out in the "La Florida" neighborhood in Zone 19, where some of the infuriated customers caused damage to three urban transit units (microbuses).

BROE agents had to intervene, and they detained Jorge Hilario Vargas, Victor Hugo Ramirez Duque and Fernando de Jesus Duarte. These incidents took place on 22 March at 1800 hours.

Those arrested were the "leaders" of the mob that attacked the microbuses, supposedly because inadequate transportation service is provided. They were put in prison and remanded to court to face charges of "causing a public nuisance and disturbing the peace . . ."

#### Other "Invasions"

On 23 March about 2,000 people occupied municipal land where the "wholesale center" is slated to be built. Other lots in the "El Mesquital" neighborhood of Zone 11, and land belonging to Mr Jorge Samayoa, were also seized.

According to information obtained, the occupied land is reportedly to be used by the National Housing Bank for recreational facilities.

The invasion took place in the morning, and by noon talks were underway among the group's leaders, the landowners and security forces, as well as other people affected by these actions, to try to resolve the matter.

#### Pumping Engine Attacked for Lack of Water

In another matter, a communique issued by the public relations division of the National Liberation Movement (MLN), which has recently become the harshest critic of the administration of Mayor Jose Angel Lee Duarte, revealed that "a group of local residents, desperate for water, seized a pumping engine in order to avail themselves of a little of that vital liquid."

The communique also attacks the public works project to build an underground parking lot in the Central Park area.

The political organization states that "this shows anew the authorities' total lack of concern about issues that are important to the lives of most Guatemalans: the lack of water and housing."

It points out that "for the first time in history, a group of desperate residents has seized a pumping engine from the unselfish pumpers to obtain this vital liquid; but the de facto mayor continues to open up wells (without achieving any solution), pave (Avenida) Reforma, and build an underpass in Vista Hermosa, not to mention the million-dollar hole in Central Park."

It reveals that thousands of families have already invaded lands belonging to the National Housing Bank to find "a piece" of land where they can live.

Then the organization asks: "Wouldn't it have been preferable to build modest huts or houses where about 2,000 families could live, paying 25 cents a day, rather than building a million-dollar concrete monster to provide shelter for 2,000 automobiles, whose drivers will pay an average of 50 cents a day?"

It asserts that "if we want to avoid violence, if we believe in human rights, if we intend to defend the people, we should think about providing shelter for Guatemalans . . ."

Finally, the communique states that the Guatemalan people, "in addition to thirsting for peace, security and jobs, are thirsting for water, shelter and transportation," and urges Mayor Lee to abandon his policy of undertaking public works projects that benefit just a few.

#### Manipulation Assumed

Police sources have begun to speculate that the groups of land invaders are being manipulated by people linked to political organizations, in order to destabilize politically the regime of Gen Oscar Mejia Victores.

To date, however, there is no concrete evidence of such a link, and police investigators are looking into these possibilities further.

#### Squatters' Committee Defends Claims

Guatemala City PRENSA LIBRE in Spanish 22 Mar 84 p 8

[Text] Approximately 1,000 families have seized the land that was supposed to be the site of the Wholesale Market in the south of Zone 12, over a period of less than 24 hours, reported some of the invaders.

Yesterday afternoon the members of two committees that have been formed to defend the take-over of the land held a joint session in which the leaders pointed out the need for this land for the construction of housing.

"We are not asking anyone to give us anything," said the speakers. "We just want to have the right to pay for those lots, which we will not leave because we are in need of housing."

They also claimed to be poor, and "as such, we have looked everywhere to find out how BANVI is going to provide housing for us, but those efforts have not borne fruit."

"When we go to rent a room, we are told that no one will rent to us if we have children. As you can understand, children are part of the Guatemalan family," they said, "and therefore it is very difficult for poor people to do without children."

The speakers declared that they will appeal to the chief of state, Gen Humberto Mejia Victores, to help them by allowing them to remain on the land they have occupied now, and by setting a fee, which they are willing to pay.

The chairman of the committee, Douglas Geovanni Lopez, stated in his speech to some 1,000 people that they should not give money to anyone. This is not a business, so no one has the right to collect anything, much less charge fees for the land or lots they possess.

"We are waiting for some authority to come," said the committee chairman, "and we want them to do something to straighten out this situation as well and as soon as possible."

They are certain that the chief of state will help them, they indicated, because there are nearly 1,000 families in "El Mezquital," and a similar number occupying other lands.

They explained that their approach is a peaceful one, and that they do not want politicians to intervene in their problems in any way; they know this would aggravate the situation, and might even lead to violence, which they want to avoid at all costs.

A few people participated in the distribution of the land, marking the respective lots with white lines; the organizers envision the placement of streets to avoid the emergence of unpaved tracks, they explained.

The committee defending the squatters' rights is made up of Douglas Geovani Lopez, Rigoberto Gregorio Alvarez (treasurer), Irma Leticia Rosales (secretary general), Gloria Salazar (division secretary) and Hostilio Valdez (spokesman), among others.

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CSO: 3248/535

## FUR SECRETARY GENERAL CENTER OF CONTROVERSY

## Sanctioned by Leadership

Guatemala City PRENSA LIBRE in Spanish 31 Mar 84 p 17

[Text] Cesar Augusto Toledo Penate, who for some time served as leader, spokesman and representative of the United Revolutionary Front (FUR), was sanctioned by the party's board of directors (its current status is that of a committee) for having stated that the party could include among its candidates for deputy members of the Communist Party of Guatemala.

The sanction consists of removing him from his post as secretary general of the provisional board of directors.

The sanction agreement was signed by Luis Edmundo Lopez Duran, secretary general; Jose Francisco Perez Rosales, secretary of organization; Hugo Quan Ma, finance; Luis Armando Bravo Lopez, training; Jaime Waldemar Garcia Galeano, worker and peasant affairs; Amilcar Mendez Urizar, electoral matters; Mario Antonio de Leon, union affairs; and Jose Lopez Maldonado, documents and agreements.

The "Whereas" clauses of the resolution read as follows:

1. Mr Toledo Penate, on a previous occasion, publicly admitted that our entity could include candidates from the Guatemalan Labor Party (PGT) on its slate for the National Constituent Assembly, which is not in keeping with the objective of our party and of our national leadership, namely to bring representatives to the electorate who truly represent this institution, and who adhere to the postulates of the party in the economic, social, juridical and political spheres, as set forth in the committee's charter.
2. When the board of directors of our entity resolved to open a dialogue with other organizations whose ideologies are similar to its own, including the Revolutionary Party, the Social Christians, M-20, the Democratic Revolutionary Union/Humanist Movement, and National Cooperation and Christian Democracy, Mr Toledo Penate made personal statements to the mass media casting aspersions on the Revolutionary Party, which led to the suspension of talks with that party.

3. Mr Toledo Penate's attitude prompted the FUR board of directors to pass a unanimous resolution to the effect that any party member who acts or makes statements against the decisions of the board shall be sanctioned with the maximum penalty, expulsion from the party.

4. Recent items appearing in the mass media concerning an alleged split within the FUR have been taken into consideration; especially noteworthy is that published in the daily LA RAZON on 23 March, in which Mr Toledo Penate comes across as the chief leader of the FUR, making statements to the effect that "it is true that this organization is divided into three sectors: one representing the true ideology of the FUR, on the progressive left; another advocating a shift in ideology toward the right; and a third that is somewhat undecided."

#### Claims Majority Support

Guatemala City EL GRAFICO in Spanish 2 Apr 84 p 8

[Text] Guatemala City, 1 April--The secretary general of the United Revolutionary Front, Cesar Augusto Toledo Penate, asserted today that if the board of directors does not change its attitude, "I will engage them in a great political and legal battle, and I will register the FUR with the support of the rank and file members."

Toledo Penate, who considers himself a defender of the principles upon which Manuel Colom Argueta founded the FUR, legally continues to be the secretary general of that organization, even though the other members of his board of directors reached an agreement to remove him from office.

"The agreement (they) made has two facets: one juridical and the other political. In the first aspect, the resolution is null and void because it is the purview of the disciplinary council, not the board of directors, to take measures against members . . . much less in absentia, without summoning the person to be heard and tried. In addition, written procedures should be followed so that there can be minutes of what took place, as set forth in the bylaws of the party, which they themselves passed. Thus, legally that agreement is null and void," stated Toledo Penate.

"As for the political aspect, I never made the statements they allege in point 1 of their agreement. What I did say to the last two presidents, and to the last ministers of defense and the interior (and I also stated it publicly when I was a member of the Council of State), is that a broad political participation should be allowed, including communists and anti-communists, as a democratic means to achieve peace; because the exclusion from participation of various sectors has brought us to the violent situation we find ourselves in now," explained the FUR leader.

In the opinion of Toledo Penate, this free participation should have priority in the elections for the Constituent Assembly, because that would be the only way to ensure that the Constitution is not simply a piece of paper in which people have lost faith.

Later on, Toledo Penate explained that there are no factions in the FUR as the press has reported: "But there are three persuasions, which is a reflection of the maturity the party has attained; otherwise, it would be a monolithic organization. The strange thing is that certain party leaders do not see it that way. It is fine to have different persuasions, because if they are a result of political maturity, they do not lead to schisms."

As for the repercussions this agreement has had within the organization, there has been total support for Toledo Penate and his efforts on all levels to ensure that the FUR is recognized as a political party.

"The FUR with Toledo Penate at the head, serving as secretary general, will be registered as a political party and will participate in the coming elections at the national level," claimed the leader.

Later he pointed out that this is not the first time this political organization has had to face obstacles to achieve its consolidation. At the beginning, according to Toledo, there were rightist sectors allied with the governments in power. Now the government has nothing to do with the party, but there is a rightist sector that wants to prevent the FUR from being registered, as part of an international conspiracy.

"If these gentlemen do not change their attitude by Monday (today), Toledo Penate will engage them in a great (legal and political) battle, and will register the FUR, even though two members of that group have the membership lists. The rank and file members, who are still true to the doctrine of Colom Argueta, are responding. We are receiving enough membership documents from the interior of the country to fulfill the requirement and request that the party be registered," Cesar Augusto Toledo Penate declared categorically.

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## PRI CLAIMS VICTORY IN SPECIAL CHIHUAHUA MAYORAL ELECTIONS

Repeat of July 1983 Vote

Mexico City UNOMASUNO in Spanish 2 Apr 84 p 5

[Article by Ubaldo Diaz]

[Text] Madera, Chihuahua, 1 Apr--Roberto Madrazo Pintado, the PRI delegate general, and Francisco Rodriguez Perez, the chairman of the party's State Steering Committee, tonight claimed victory for the party's mayoral candidates in Nuevo Casas Grandes and Madera. Meanwhile, speaking on behalf of the National Action Party (PAN), its secretary general, Antonio Morales, acknowledged his party's defeat in Nuevo Casas Grandes.

The PRI deputy indicated that PRI took 7,000 votes in Nuevo Casas Grandes, against 1,026 for PAN and 1,800 for the Unified Socialist Party of Mexico (PSUM). In an official press release PAN said that it lost in Nuevo Casas Grandes but noted that it is more than 400 votes ahead in Madera, though the ballots from major polling places remain to be tabulated.

Deputy Rodriguez Perez, however, made public some returns from the municipality of Madera; PRI won more than 4,000, compared to 2,500 for PAN and 17 for the PSUM.

Madrazo Pintado asserted that the voting was conducted in a climate of peace and calm and accused PAN of attempting to hinder the voting process, claiming that as late as tonight it tried to prevent the election documents from reaching the Municipal Committee, where the first tabulations were to be done.

Election authorities called special elections in Nuevo Casas Grandes and Madera because the ones held last 3 July were nullified owing to the irregularities that were committed.

The PRI delegate also asserted that the voter turnout was high and that abstention was a thing of the past.



The bulletin released tonight by the PSUM secretary general, Renato Rosas, put PRI far ahead in Nuevo Casas Grandes, with 3,580 votes for its candidate, compared to 533 for PAN and 949 for PSUM.

Rosas asserted that in general the voting proceeded peacefully and without provocations. He added, however, that there were some irregularities, such as insufficient indelible ink, too many security forces, which intimidated voters, and improperly installed auxiliary polling places, especially in Nuevo Casas Grandes.

He indicated that this could have led to fraud, but he at no time claimed that this was the case. He noted that there were initially some irregularities at the polling places but that pressure from the parties remedied the situation, after which the voting proceeded normally.

He added that in his judgment the voter turnout was low, but this assertion was refuted by the PRI delegate general, Madrazo Pintado, and by the PAN secretary general, Antonio Morales, who each said that the turnout was very high.

Madrazo Pintado said tonight that his party had no doubt whatsoever that it had won a clear victory at the polls, to which citizens flocked to freely cast their ballots. He said that PRI members voted in large numbers, thus assuring victory for the party's candidates in both Madera and Nuevo Casas Grandes.

He accused PAN of attempting to impede the normal voting process. He specifically charged that PAN leader Lourdes Meza had shut down a polling place in Nuevo Casas Grandes for a half-hour and that law enforcement personnel had to intervene to reopen it.

He also claimed that Javier Corral, the press chief of the Ciudad Juarez municipal police (the Juarez city government is run by PAN) provoked voters at polling place number 1 and tried to electioneer.

He said that many people from Ciudad Juarez and Casas Grandes, another PAN municipality, arrived in Nuevo Casas Grandes to agitate and provoke violence in a bid to shift the vote in PAN's favor.

He also accused PSUM Federal Deputy Samuel Melendres of trying to prevent the ballots from leaving polling place number 8; he was stopped by police.

He also charged that PAN Federal Deputy Jaime de Lara tried to prevent the ballots from polling place number 3 in Madera from reaching the election authorities.

Separately, PRI Deputy Francisco Rodriguez Perez, the chairman of the PRI State Executive Committee, said that his party's triumph was undeniable and that the margin of victory was 1.8 to 1 over PAN and could go as high as 3 to 1.

From his makeshift headquarters at Palmore Hospital, where he has been recovering from injuries suffered in a car accident last Friday, the PRI leader made special mention of how orderly the voting was in the two municipalities.

Rodriguez Perez explained that the PSUM tried to cause trouble at two polling places in Nuevo Casas Grandes. The intervention of the notaries and of the electoral authorities prevented the incidents from becoming major ones, however. PAN was also unsuccessful in its bid to breach the peace at a polling place in Madera.

In an interview that morning, Manuel Stephens Garcia, the PSUM's election secretary, voiced confidence that his party would win in Nuevo Casas Grandes.

The PSUM, he indicated, was entering the local elections in a strong position because of its alliance with the Popular Action Committee (CAP), which enjoys wide support. Nevertheless, when returns were in from 20 of the 29 polling places that night, the PSUM acknowledged PRI's victory.

#### PSUM-CAP Statements

Mexico City EXCELSIOR in Spanish 3 Apr 84 pp 5-A, 20-A

[Article by Angel Soriano]

[Text] Chihuahua, Chihuahua, 2 Apr--PAN state leader Guillermo Prieto Lujan acknowledged today that his party was defeated in Nuevo Casas Grandes, as did the PSUM-CAP coalition, but he let it be known that it would fight for its victory in Ciudad Madera, where it is 300 votes ahead of PRI, indicating that if it is not acknowledged as the winner it will call to have the elections declared null and void in this municipality.

In Casas Grandes the CAP-PSUM coalition reported that the returns were as follows: PSUM, 1,712; PRI, 6,591, and PAN, 940, which amounts to 18 percent of the ballots of more than 20,000 voters.

Pedro Medina, a PSUM leader in Nuevo Casas Grandes, admitted that "we no longer have the legal recourses to challenge, inasmuch as our polling place representatives signed the vote count documents, but we are not going to accept a straightforward PRI victory, because it used the same old maneuvers to come out on top."

He added that never in the history of this municipality had more than 8,000 persons cast ballots, which reflects the discouragement and indifference of the electorate because they realize that their votes will not be respected and that PRI will win anyway. He indicated that they would not accept this "election holdup" and that they would gather together every evidence of irregularities and protest violations of the law.

The PSUM-CAP coalition's candidate for mayor was Vicente Murillo, a leader of CAP, which has strong support in lower-income districts. He was regarded as a strong opponent for Carlos Ulises Domínguez, the PRI standard-bearer.

PAN's candidate in Nuevo Casas Grandes was Blanca Corona de Hernandez. When PRI reported that it had garnered more than 7,000 votes to the white-blue party's 1,000, her fellow party members all but abandoned the campaign offices and have not even protested, thus acknowledging her defeat.

In Ciudad Madera, however, PAN supporters and candidate Armando Chavez Chavira refused to admit defeat and asserted that they would claim their victory "no matter what it costs."

Deputies Jaime de Lara Tamayo and Octavio Aguilar Camargo, whom the PAN national leadership commissioned to monitor yesterday's voting, asserted that they had enough evidence to demand the annulment of the election results, citing serious irregularities such as the indiscriminate distribution of voter credentials, the shortage of indelible ink, the herding in of voters and the alteration of voting lists to help PRI.

#### Numbers Fixed

They denied that PAN won 2,636 votes compared to PRI's 4,245 (the PST [Socialist Workers Party] took 17), indicating that these figures, furnished by PRI delegate Roberto Madrazo Pintado, were ready for release at 6:00 in the evening even though voting was still going on or the vote count had not yet concluded at many polling places.

They reported that even though three polling places in the countryside had not yet tabulated their returns, they were more than 300 votes ahead, "and therefore we will fight for our victory or demand that the elections be nullified."

Chavez Chavira said that the elections were fraudulent and improper, inasmuch as PRI utilized every recourse, including threats, political blackmail and, in many cases, violence, to emerge "not with a victory but with another election holdup."

Both PAN and PSUM pointed out that close to 80 percent of the electorate stayed away from the polls at the special elections in the two municipalities. They attribute this to voter frustration and to the mockery that the authorities make of the vote. Aside from this, the weather was bad yesterday (high winds, frost and dust storms), which kept many people away from the polls. Compounding this was the expulsion of PAN and PSUM representatives from the voting places, which allowed PRI to manipulate the elections as it pleased.

### Possible Protests

In spite of the lack of enthusiasm in both Madera and Nuevo Casas Grandes, violent protest is not ruled out once the supporters of opposition candidates get over their defeats. Party leaders have been meeting to decide what action to take.

In Casas Grandes, meanwhile, PRI candidate Carlos Ulises Dominguez is already celebrating his triumph.

Both the chairman of the State Electoral Commission, Hector Villasana, and the PRI delegate general in Chihuahua, Roberto Madrazo Pintado, have stated that the voting was heavy and calm, denying that abstention was high.

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## NAYARIT: NEW PRI CANDIDATE SELECTION PROCEDURE IMPLEMENTED

Party Secretary General Present

Mexico City EXCELSIOR in Spanish 2 Apr 84 pp 1-A, 13-A, 15-A

[Article by Juan Gerardo R.]

[Text] Tepic, Nayarit, 1 Apr--The Institutional Revolutionary Party has set in motion its pilot plan for consultation with the rank-and-file in selecting its mayoral candidates. The process has so far been characterized by wideranging participation, factionalism and confrontations between the party's three sectors (CTM [Confederation of Mexican Workers], CNOP [National Confederation of Popular Organizations] and CNC [National Peasant Confederation]), and local bosses have been accused of attempts at manipulation. The PRI secretary general, Francisco Luna Kan, said regarding the situation that "it reflects the enthusiasm that all of the candidates are putting into their vote-getting efforts."

After a swing through the municipalities of Ixtla, Jala, Ahuacatlan, the PRI secretary general was interviewed about the situation in the state during the first few hours of the voting. He had this to say: "We have seen broad participation by PRI activists."

He asserted that PRI's goal is to continually improve itself, which he felt it had been doing since it was founded in 1929. In fact, he added, the party is now going to be taking stock to decide what approach it ought to take.

He was questioned about the initiatives of former leaders such as Carlos Sanchez Perez, who wanted a clear-cut democratic approach. Subsequent manipulations, however, led to the morass from which the party is now seeking to emerge.

He noted in this regard that his party has always tried to improve itself, acknowledging, however, that no procedure is beyond objection. There are always pros and cons. The important thing, he pointed out, is to be able to identify and correct shortcomings so that the party achieves an increasingly open and pure democracy.

After noting that "what we are after is a clear-cut, clean process," Luna Kan rejected the idea that this is an a priori method of selecting officials; he argued that although the party is the largest in the country, its candidates would have to compete in the constitutional elections.

"Whoever wins our party's nomination obviously has a much better chance to win the constitutional elections. Hence the pressures that some PRI members are applying," Luna Kan added.

Referring to the opposition parties, he said that they too must heed their rank-and-file if they want to win. He stressed that no other party in the country has PRI's structure of small sectional committees, referring to the Nayarit municipalities.

He asserted that the opposition parties do not usually devote their attention to small towns, concentrating instead on large population centers. "Our party has a dual structure, pyramid-like and regional, and this is why we can follow these procedures." He remarked that the opposition parties have a responsibility to improve their structures and to achieve broader national coverage. If they fail to do so, he concluded, they are not contributing to the civic progress of our people.

PRI, he reaffirmed, has a vertical and horizontal structure and can thus better select candidates for popularly elected office.

PRI members were worried that if young people were not allowed to participate, the party would be weakened in a few years when they are able to vote and social unrest could break out.

Luna Kan categorically rejected this possibility, stating that the point is to refine the nomination process. In the face of pressure from some PRI sectors, 16-year olds were allowed to participate in the process by simply presenting their birth certificates.

The situation was resolved in accordance with the party's bylaws, Luna Kan added.

#### Municipal Elections

The mercury had climbed to over 30 degrees on the morning that PRI voters took to the polls. Many of them cast their ballots out of conviction, but others because "many of us have jobs where they demand to see the party ballot, and if we don't have it, they fire us. We'd better have everything in order," and still others "because we have to vote."

During a swing through the municipalities of Ixtla, Jala and Ahuacatlan, we saw that most of the voters already had their new credentials.

A survey disclosed that they were annoyed by the hasty manner in which the PRI voting list was drawn up. In their opinion, "there was not enough time to register properly" for the voting list.

Eight thousand of the 20,000 residents of Ixtla belong to PRI, and the voting list numbers 10,080. Three candidates were registered: Antonio Tovar Martinez, Humberto Ibarra and Roman Davila. The voting here proceeded normally, and there were no complaints.

In Jala, however, there was a sharp confrontation between the worker and popular factions. Arturo Jimenez Soriano, a member of PRI's ideology commission and of Section 10 of the Bricklayers Union headquartered in Tepic, accused local bosses of trying to preserve the privileged status of their followers.

We could see throughout our trip that the involvement of women was minimal. Some of the candidates said that this was because women are not provided training for government office and, above all, because they are discriminated against in society.

The PRI labor faction in Tuxpan accused the party's state leadership of allowing infiltration by opposition activists and of provoking internal rifts.

Victor Ordóñez Ceja, a local CTM leader and candidate for mayor, rejected the idea that the selection process could cause rifts. After a debate attended also by Deputy Elias Rodríguez Banuelos and Professor Evaristo Gómez Herrera, who are mayoral candidates as well, he said that there should not be any winners or losers in the political contest that PRI ordered; "it is a contest among PRI members."

He complained, however, that Francisco Javier Romero resigned his local PRI leadership post to run for mayor.

He asserted that Romero Ramos was a long-time PARM [Authentic Party of the Mexican Revolution] member who "kept on having doors closed on him because of poor political tactics."

It was also learned that the members of the Unified Socialist Party of Mexico (PSUM) tried to vote with PRI credentials.

As PRI members continue their sharp squabbling, the results of the mayoral primaries are expected in tomorrow. According to party leaders, the differences of opinion will help strengthen it, help it develop new channels and, above all, guarantee that the primaries are above board.

### Winners, Sector Affiliations Given

Mexico City EXCELSIOR in Spanish 3 Apr 84 pp 4-A, 12-A

[Article by Juan Gerardo R.]

[Text] Tepic, Nayarit, 2 Apr--The Institutional Revolutionary Party has officially reported that the following candidates were victorious in the mayoral primaries:

In Tepic, Braulio Perez Valdivia from the CNOP; in Acaponeta, Porfirio Vazquez Cosio from the CTM; Compostela, Arnulfo Pena Banda from the CNC, Tecoala, Victoriano Burgara Lopez from the CNC.

The winner in Santiago Ixcuintla was Lucas Vallarta Robles from the CNOP and in Ahuacatlan, Raul Rivera Anzaldo, also from the CNOP.

Ramiro Becerra Robles from the CNOP was victorious in the municipality of Ruiz, the CNOP's Antonio Tovar Martinez in Ixtlan del Rio, and Adalberto Pena Maldonado in Tuxpan.

Gustavo Perez Gonzalez from the CNC won in Xalisco; Ramon Chanon Mojica came in first in San Pedro Lagunillas; Jose Luis Lizola Sanchez (CNC) won in San Blas, and Jose Germehio Lamas (CNC) took first in Rosa Morada.

Praxedes Garcia Acevedo from the CNOP was the winner in the municipality of Santa Maria del Oro. Merced Partida Altamirano from the CNC won in Jala, and Aguston Armando Parra Carrillo from the CNOP was victorious in Amatlan de Canas.

### Procedure Called 'Notable Advance'

Mexico City EXCELSIOR in Spanish 2 Apr 84 p 6-A

[Editorial: "Democratic Test"]

[Text] PRI has begun a system of primaries in Nayarit through which its members can democratically select their candidates for mayor in a direct, secret ballot. The party's fine organization and voter registration made this possible in many Nayarit municipalities. Conventions will be held where this groundwork has not been completed, conventions that will, of course, be much more open than when specific, dogmatic orders were given as to which candidate to select. This is a notable advance.

As PRI Secretary General Francisco Luna Kan has explained it, the new system seems to be more precise than the one that the party employed in the 1960's, when the committee chaired by Carlos Madrazo Becerra had the mayoral candidates in several states, including Durango and Chihuahua, chosen by direct, secret ballot. No voting list was used; all citizens were simply encouraged to vote, which made the PRI primaries



tantamount to the general constitutional election. In any event, the effects were very positive. It is a shame that after this experiment PRI returned to its authoritarian appointments, with the disarray that eventually led to negative results last year.

This new internal arrangement is a healthy thing for PRI. What the party needs urgently now is a list of its members, because with this foundation it will be able to democratize itself. A party cannot listen to its rank-and-file if it does not know exactly who makes up the rank-and-file. The membership of organized labor and the ejido associations is not enough. Modernizing PRI means that each sectional committee under the municipal committees must keep an up-to-date list of its members. Democracy will be facilitated, and politics will be truly opened to the grass roots of Mexican society. This will redound to the benefit of political activism in general and could heighten people's civic-mindedness as long as it becomes a systematic, ongoing process.

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## GUADALAJARA ARCHBISHOP COUNSELS BUSINESSMEN, WORKERS ON RIGHTS

Mexico City EXCELSIOR in Spanish 2 Mar 84 pp 1-A, 18-A

[Text] The archbishop of Guadalajara, Cardinal Jose Salazar Lopez, has asserted that raising prices, altering weights and measures, concealing consumer goods for speculation purposes, wasteful consumption, the desire for excessive profit, encouraging an economy in which capital goods are concentrated in a few hands, be they public or private, and withholding workers' wages, are grave social sins.

In a pastoral letter to Catholics in his archdiocese, addressed in particular to workers and businessmen, Cardinal Jose Salazar Lopez comments that high profits can never be justified, not even during a serious crisis, as the guiding criterion of a business.

Man and his values must always be the alpha and omega of the economy, he noted. These general views become practical requirements when we reflect on the objective conditions prevailing in our country today.

In light of the new realities around us, Monsignor Salazar said, we all need to encourage constructive attitudes of confidence that will make us more responsible and more dynamic so that we can overcome the crisis.

"As businessmen," he says in his letter, "you have a legitimate right to courageously defend your convictions and plans, but in doing so always retain your social conscience and take into account the situation of the other sectors.

"It is also up to you, worker brothers, to defend your interests, but you must strive for greater efficiency and discipline. Make wise use of your labor associations. Do not allow yourselves to be manipulated and do not permit decisions to be made that only serve to further the economic or political interests of unscrupulous leaders.

"In the struggle for higher wages and better fringe benefits, which is also legitimate, bear in mind the common good and the crisis we are experiencing."

The cardinal commented in his letter that our economic crisis is due in good part to a crisis of education. He asserted that discipline, honesty, respect for order and foresight have been lacking in our education.

## SOCIAL SECRETARIAT SPOKESMAN TAKES UP CHURCH TIES WITH STATE

Mexico City EXCELSIOR in Spanish 25 Feb 84 pp 1-A, 8-A

[Article by Nidia Marin]

[Text] This is not the time to push for an amendment of Article 3 of the constitution nor for Church and State to join forces again in Mexico, said Father Manuel Velazquez yesterday. Father Velazquez is the spokesman of the Mexican Social Secretariat, one of the so-called liberal branches of the Catholic Church in the country.

He also pointed out that the bishops and other hierarchs of the Catholic Church in Mexico have been engaged in an activist movement lately in response to the decisions made at the recent meeting of the Episcopate in Puebla, not because they have been given instructions to become involved in domestic politics.

It was decided at the meeting that the Church should further the teaching of the Gospel so that it extends its social influence beyond private individuals.

"Hence the bishops' suggestion that Christians become involved in civic activities," Father Velazquez indicated.

He stated that the new programs that emerged from the Puebla meeting are barely being talked about in various regions around the country, and this explains the move to arouse the conscience of Christians again.

Interviewed shortly before the start of a choral concert given by the Sion Methodist Church at the Secretariat building, Father Manuel Velazquez stated that no one is proposing a Church-State union. The aim of the current pronouncements is apparently to have the Church's legal status recognized, but not a privileged status.

Once its status is recognized, he said, it would be a question of drafting agreements to specify what actions it can take, because in his judgment there should be a union of purpose.

He reaffirmed that the Secretariat still strongly supports Father Pedro Velazquez's view that the Church and society are distinct entities and that, therefore, "a friendly separation" is best for them.

"This is a longstanding view, and back in 1963 Father Velazquez was persecuted for it. He was on the verge of being expelled from the country (he was Spanish) because his work 'Initiation into Political Life' proclaimed that a separation of Church and State was desirable. He was far ahead of his time."

He felt that no political party today would propose a Church-State union again or the related laws.

The aim, he said, is to have coordination rather than separation, based "on our common ground on the issues, especially in Mexico with its Catholic majority."

Father Manuel Velazquez talked about education, which he said was an area in which parents have an elementary decision-making right. Thus, "no one is asking for a blurring of jurisdictions. I don't think that anyone wants to make this operational," he added, "inasmuch as it would require political conditions that do not exist."

"This is not the time, politically, to push for an amendment to Article 3 of the constitution," he stressed.

"This is the time for Christians to study it, to think it over, to meditate on it, but nothing more," he added.

He also said that Christians should become aware of their rights and duties, which is what the Church's representatives are trying to help them do, because human beings should not simply accept what they are offered; they should be socially and politically aware beforehand.

In addition, he stated that the controversy that has arisen concerning these issues could eventually divert attention from serious problems such as "the economic crisis and the political crisis resulting from it; it could also strengthen certain rightwing elements because of the crisis that the leftwing parties are experiencing..."

The concert began at 2000 hours and was conducted by Raul Macin. Jorge Max Rojas was the reader.

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CSO: 3248/560

## PSUM LEADER CITES JUAREZ, URGES DEBT PAYMENT MORATORIUM

Mexico City EXCELSIOR in Spanish 5 Apr 84 pp 6-A, 8-A, 9-A

[Valentin Campa Commentary: "Foreign Debt: The Moratorium Is Not Postponable"]

[Text] The main issue that President De la Madrid is discussing on his tour of Latin American countries is the suffocating foreign debt besetting our nations. Mexico's foreign debt totals \$90 billion. With heavy oil output in 1984, according to official data, PEMEX will post exports of some \$16 billion, but interest payments alone on the debt will amount to \$14 billion. Almost all of the earnings from PEMEX exports will go to pay interest! And the debt is growing and growing. The policies imposed by the International Monetary Fund entail an ongoing devaluation of the peso vis-a-vis the dollar, with our currency slipping 13 centavos a day, 32 percent a year, resulting in high prices and hunger for our people, since the essential aim of these policies is to guarantee the payment of interest on the foreign debt and preserve high profits for the Mexican oligarchy.

The nationalized banks continue their policy of financing hoarding and profiteering, and even the ongoing plundering and exporting of dollars. Bancomer [Bank of Commerce], which is still the bank "of modern ideas," posted profits of 10.06 billion pesos in 1983 on 5.3 billion in paid-up capital! The Banco Regional del Norte, run by the Monterrey oligarchs, recorded 550 million in profits on paid-in capital of 200 million! Under this policy, in 1983 restaurants boosted their prices 99 percent, the price of milk was up 92 percent, and electricity from state-run enterprises was 91 percent more expensive. Interest on the foreign debt is paid right on time; the profiteering bourgeoisie lines its pockets, and the people are left with poverty and hunger.

The pattern imposed during Miguel Aleman's term is still in place: devaluations of the peso to facilitate exports and bolster tourism, followed by a rising cost of living and more expensive exports and tourism, and then another devaluation. The restructuring of the economy that current administration officials have touted so highly is sheer demagoguery; the pattern remains essentially in place.

Carlos Abedrop Davila, the former president of the Bankers Association, which has now been brought back to life at a 34 percent interest rate, is, of course, euphoric, like other oligarchs and has stated: "The political will with which the Immediate Economic Recovery Program has been rigorously implemented is admirable."

This is how things stand as President De la Madrid tours South America. He has visited Brazil, which has a larger foreign debt than Mexico and which is also being suffocated by religiously paying the interest on it and thus using up three-fourths of its export earnings. The next country he visited was Argentina, which had suspended interest payments on its debt because of the stifling policies imposed by the IMF.

De la Madrid's administration put forth an initiative to have Venezuela, Brazil, Colombia, Mexico and the United States, which wants to avoid a debt moratorium, lend Argentina \$500 million. Argentina used the loan to cover the interest payments that it had suspended. Washington's treasury secretary, Donald Regan, declared: "The financial arrangements that have been worked out will strengthen Argentina's new democratic government and prevent an outbreak of panic in the international financial system." Looking after the imperialist financial system is a concern of the U.S. Government, which therefore contributed \$100 million to the Argentine loan.

De la Madrid, backed strongly by his finance secretary, Silva Herzog, shares Washington's desire to avoid a foreign debt moratorium and is pursuing a policy of seeking ways to decrease the usurious international interest rates imposed by the warmongering Reagan. We have heard many long speeches at the UN since Echeverria's term advocating a new international economic order; Lopez-Portillo also pushed the idea, taking advantage of the favorable situation created by the oil boom. But Yankee imperialism has carried off the oil and stored it in huge caves as a wartime reserve, a ploy to force world oil prices downward. What the United States pays Mexico for its oil it then carts off in the form of interest on our foreign debt, thus keeping our people crisis-ridden and impoverished.

The Mexican Government's approach to encouraging exports has no prospects either; it has been around since Echeverria's term, when it was called an "export strategy." The ferocious trade competition between the United States and the other major industrial powers, Japan and Western Europe, scuttles the export possibilities of Mexico's manufacturing industries.

A conciliatory approach to Yankee imperialism will work no better than rhetoric unless it is complemented with effective, practical measures. The most urgent measure is a moratorium on the foreign debt, to force the IMF and the major creditor banks to accept new arrangements sharply lowering their profiteering interest rates

and providing extended payback periods. This entails dealing politically with potential imperialist reactions and obliges us to unite the Mexican people in a defense against the foreign debt profiteers, which in turn means changing the country's ill-fated domestic economic policy. At the same time, our country can and must strengthen its position by joining OPEC and the Nonaligned Countries.

It is regrettable that the president told the JORNAL DO BRASIL that a debt moratorium reflects "a somewhat frivolous attitude." We Mexicans do not forget that in a similar situation, in July 1861 during the administration of Benito Juarez, Mexico was obliged to declare a foreign debt moratorium. Nor was the attitude of the governments during the Mexican Revolution frivolous when they declared debt moratoriums, thanks to which the administration of Avila Camacho was able to pay off in Mexican pesos (4.65 to the dollar at the time) the almost \$500 million in foreign railway debts, which consisted largely, in fact, of interest on interest. In both cases a debt moratorium was an unavoidable step.

The loan to Argentina and the principal payback deferments (in exchange for punctual interest payments) are merely stopgap measures. Under these arrangements, in 1986 Mexico will have to pay back \$9 billion of its debt principal, in addition to interest payments. Not even all of our export earnings would be enough to cover this. Serious, timely arrangements are impossible unless we face up to the conflict.

We must come to grips with the foreign debts that are suffocating our countries by declaring a moratorium and joining forces, as Benito Juarez did and as happened at the height of the Mexican Revolution, which the PRI administration praises so highly in its speeches.

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CSO: 3248/531

## CHURCH ANNOUNCES REDUCTION IN FEES CHARGED FOR SERVICES

Mexico City EXCELSIOR in Spanish 30 Mar 84 pp 4-A, 31-A

[Article by Federico Ortiz Jr]

[Text] "Faithful to the spirit of ecclesiastical renovation and to the testimony of poverty voiced by the Second Vatican Council" and other documents from the Holy See, the Catholic Church in Mexico has begun reducing its often excessive fees for the spiritual services and sacraments it provides.

The archbishop of Chihuahua, Monsignor Adalberto Almeida Merino, and the bishop of Ciudad Juarez, Monsignor Manuel Talamas Camandari, were the first to issue separate diocesan decrees and edicts abolishing church fees.

"Naturally, other ways must be sought to defray the expenditures that the administration of a parish necessarily entails," the two bishops said.

As of March 1984, they have instructed their priests not to charge any fee for performing the sacraments of baptism, confirmation and matrimony, for giving blessings or saying mass. Modest fees will be charged for paperwork such as documents, rogatory letters, dispensations, etc.

They noted that the faithful must meet their obligations to the Church in the form of an annual diocesan contribution (tithing or 10 percent of annual income), offerings at eucharistic celebrations, occasional contributions, donations, etc.

## An End to Ostentation

The archbishop of Chihuahua and the bishop of Ciudad Juarez have resolved to do away with ostentation at religious ceremonies such as marriages, birthdays, 15-year coming-out celebrations, baptisms, etc. "Fees will no longer be charged for pillows, kneeling stools, lighting and other regular parish services. These services will be rendered indistinctly to all the faithful. The point is that all celebrations should be dignified and in keeping with the liturgical spirit."



The two prelates urged parish priests, confessors, chaplains and all priests, brothers and nuns to instruct the faithful as to the spirit and content of the edicts.

Father Francisco Ramirez Meza, an executive member of the Episcopal Commission for Social Communications and director of the Office of Catholic Information, said that if the faithful merely tithed, the Church would receive an average of 6 billion pesos a year, enough to keep itself in operation without having to charge fees for any service.

He then amplified on the decrees in question, explaining that they are designed to comply with the provisions of the Second Vatican Council and of the new Canon Law, Canon 222 of which concerns the elimination or reduction of the Church's fees.

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CSO: 3248/560

## PEMEX INVESTMENT IN SPANISH OIL INDUSTRY DISCUSSED IN MADRID

Mexico City EXCELSIOR in Spanish 27 Mar 84 pp 1-A, 13-A

[Article by Agustin Salmon]

[Text] Madrid, 26 Mar--Mexico will be the only foreign country involved in the new oil industry structure that Spain is working on with a view towards entry into the European Common Market.

Mario Ramon Beteta, the director general of Pemex, announced this today, explaining that the only remaining point is the extent to which Mexican investment would be increased or decreased in Petroleos del Norte (PETRONOR), the refinery in which our country owns a 34.28 percent share.

Beteta was received shortly after noon at La Moncloa Palace by Spanish Prime Minister Felipe Gonzalez, with whom he spoke for 40 minutes and to whom he delivered a message from Mexican President Miguel de la Madrid.

The Mexican president pointed out to the Spanish prime minister that Spain is now Mexico's second largest oil client, after the United States and ahead of Japan, and that Mexico has become Spain's number one supplier, ahead of the Persian Gulf countries.

The Pemex director noted that Felipe Gonzalez expressed great warmth and affection for Mexico.

The Pemex official noted that the oil trade between Spain and Mexico has become extremely important under current circumstances: "Oil has become the strongest and most dynamic link between our two economies. And there is another important fact: Mexico has only one overseas investment, and that is in Spain."

He pointed out that we own slightly more than 34 percent of the shares of PETRONOR, a major Spanish refinery that is undergoing expansion.

## Investment to Be Analyzed

"Therefore, we have to analyze and discuss this investment with our Spanish friends in the various sectors involved, in view of Spain's imminent and gradual entry into the European Common Market, and we have to see to what extent the Pemex investment in PETRONOR is going to be increased or decreased," Beteta said.

The Pemex director spoke with this correspondent at the Club Financiero, where he gave a luncheon for top authorities and executives in the country's fossil fuels industry.

After meeting with Prime Minister Gonzalez, Industry Minister Carlos Solchaga and the director of the National Institute of Hydrocarbons, Carlos Boada, he concluded that Pemex would be the only foreign company that will participate in Spain's new oil industry once the state hydrocarbons monopoly is dissolved, which is one of the conditions for membership in the EEC.

He indicated that our investment is welcome and that Spain wants us to continue as a PETRONOR partner.

"They want us to continue strengthening our position as a supplier and to continue developing these ties, perhaps into other fields such as technological exchanges and the marketing of petroleum products and petrochemicals.

"And this is not all. There is a very good chance that Pemex can attract a certain type of investment into Mexico that would fit in with the import substitution program that Pemex is pushing. The results have been very good so far, and both Mexican investors and their overseas partners are very eager to take part in this program to produce domestically what we used to import," he asserted.

He indicated that the two countries have been collaborating in the field of technology for 3 years now, after Pemex technicians came here to work for the National Institute of Hydrocarbons.

When asked whether Spain is charged a special price because it is our second leading buyer of oil, Beteta replied:

"Mexico does not give discounts. Our country's pricing policy follows world prices. We are, however, a reliable supplier, because instead of selling speculatively on the spot market, we sign long-term supply contracts and fulfill them punctually and thoroughly."

He added: "That provides security, which is one of the most important factors, and respect."

He indicated that the contracts with Spain are for 160,000 barrels a day but that because the quota is at times not met, owing to

transportation shortfalls or even the weather, a compensatory amount is added.

For this reason, the oil shipments to Spain this quarter averaged 173,000 barrels a day.

He hailed the signing of the contract with Petroleos del Mediterraneo, to which 10,000 barrels a day will be shipped starting next month.

"They are a new client, and we can say that there is no Spanish company that is not linked to Pemex in one way or another."

He asserted that inbond assembly plants are another possibility for expansion and that there are even more promising areas for short-term business diversification.

Regarding the profits that Pemex makes from PETRONOR, he pointed out: "PETRONOR is doing fine. It is well run but does not distribute dividends. Since it is engaged in a major expansion program, all of its profits are reinvested in the expansion. Thus, although Mexico and Pemex do not make profits in the form of a regular dividend, the size of our capital investment in Spain is growing, and our links with Spain in the oil industry become stronger."

He also said that he had been warmly welcomed at the National Institute of Hydrocarbons. "This institute, which is the core of Spain's centralized oil industry, has been a great partner and has been understanding of Mexico's problems."

He said that he could not predict what would happen with supplies and prices in the event that Iran decided to close off the Straits of Hormuz.

"I think that it would pose a danger to the world that I would rather not think about if the United States and its allies decided to open it up by force. It would be another world war," he asserted.

Tomorrow in Bilbao, Beteta will chair the meeting of the PETRONOR Board of Directors and the following day he will head for Biarritz, whence he will travel to Paris to continue his efforts on behalf on Pemex.

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CSO: 3248/567

## BRIEFS

CHIAPAS: CATHOLIC, PRESBYTERIAN CLASH--Tila, Chiapas--A sharp conflict that threatens to degenerate into violence has broken out between Catholics and Presbyterians in the Panchuc District of this municipality. The bone of contention is the local church. According to statements by Antonio Sanchez Jimenez, the treasurer of the ejido organization, the Presbyterians took over the building housing the Catholic church and have refused to leave, claiming that they built it. He reported that a pastor named Francisco (he does not know his family names) is the leader of the Presbyterians who took over the church last 5 November and began throwing statues outside. In view of these circumstances, said Sanchez Jimenez, who in addition to being the ejido treasurer considers himself a devout Catholic, "we have called on Mayor Abraham Gutierrez to intervene, but he has ignored us; he is apparently afraid to mediate between the two groups." Our informer went on to say that the Protestants contend that they built the church and that they therefore will not hand it over unless they are given 100,000 pesos. "We are sure, however," he added, "that Catholic brothers built the church, and we have a witness, an 80-year old man who is willing to uphold his story at any time and before any authority." Sanchez Jimenez traveled with a delegation of Catholics to the state capital to request the intervention of the State Attorney General's Office, he said. [Text] [Tuxtla Gutierrez LA VOZ DEL SURESTE in Spanish 22 Mar 84 pp 1, 4] 8743

CSO: 3248/560

## LAND TENURE, DIVERSIFICATION KEY TO REGION FOUR DEVELOPMENT

Managua BARRICADA in Spanish 2 Apr 84 p 3

[Excerpts] In this week's "Socioeconomic Monday" feature, we will present basic information on Region Four, concentrating primarily on aspects of its history and on its agricultural circumstances: progress and development strategy. The region consists of the Departments [political subdivisions] of Granada, Masaya, Carazo and Rivas, and it is the second most densely populated region in the country, after the Department of Managua.

This part of the country has highly diversified production and agricultural potential. Its development through the strategy of agricultural development is the response being given by the government, together with the region's workers and peasants, to the aggressive policy of the Reagan administration.

Region Four provides 14 percent of the nation's coffee production, 7.5 percent of its cotton, 23 percent of its sugar, 33 percent of its rice, 22 percent of its meat, 13 percent of its milk, and 80 percent of its poultry.

General Information on Region Four

Area: 4,969 square kilometers, or 4 percent of the national territory,

Population: 491,228.

Population density: 122.5 inhabitants per square kilometer, the second highest density in the country. The national average is 24 inhabitants per square kilometer.

Location: This region occupies the southeastern [as published] part of the country. It is bordered on the north by Managua and Boaco, on the southeast by Costa Rica, on the east and northeast by Lake Nicaragua, and on the southwest by the Pacific Ocean. Its border with Costa Rica extends for 52 kilometers.

The existing infrastructure for production was developed in terms of agricultural export products (roads, coffee processing plants, trails, cotton gins, sugarmills, and so on). It is the areas producing basic cereals--and therefore containing the largest peasant population--which have the least developed infrastructure.

#### Inherited Problems

One of the chief inherited problems deserving mention because of its effect on the economy, and one being dealt with through agrarian reform, is that of small and large landholdings. When the revolution triumphed, 70 percent of the farms totaled less than 10 manzanas [1 manzana = 1.74 acres] and covered only 5 percent of the land. That shows us the high concentration of land in the hands of just a few people, the vast number of small landholdings in the region, and the difficulty encountered by the peasants in obtaining land.

The structure of small landholdings was found to be especially critical in Masaya and a few municipalities in Carazo, where fragmentation of the land was occurring at a rapid rate, resulting in proletarianization and migration from the rural areas to the cities.

#### Regional Development Strategy

Because this region is located in the Pacific zone and along the shores of Lake Nicaragua and presents a diversity of soils and climates making it suitable for almost every crop grown in this country, the agricultural development strategy is based on intensive land use with irrigation provided by the lake and underground springs, specialized production, the modernization of stockraising, and organization of the peasants.

On that basis, three major zones have been defined:

- a) The Lake Nicaragua littoral zone: The intention is to make intensive use of the soil by improving the level of technology and to concentrate modern agroindustrial and dairy activities here. In addition to state participation and the private sector (chiefly rice and sorghum), the cooperatives will participate in irrigation projects and the production of vegetables.
- b) Pacific Coast: In this zone, the intention is to develop stockraising by raising the level of technology, chiefly in the production of livestock to be raised and fattened (animal production for slaughter), including the genetic improvement of the herd and pasture. Irrigation is planned through the use of minidams (rainwater).
- c) Intermediate zone between the two above-mentioned zones: Here there will be a concentration of the peasant population. The lines of development will be mixed: basic cereal production in the north and south and commercial stockraising activity.

The region's agricultural development will be centered on irrigated rice, industrial sorghum, vegetables, plantains, Burley tobacco, and cotton.

As part of that development strategy, the following projects have been started:

1. Camilo Ortega Cooperative Project: This is the first project for agricultural products for export and domestic consumption using modern methods. It is being carried out by cooperatives in the region. The project involves 400 manzanas initially for the production of cotton in rotation with irrigated corn.

2. Small Farms: Citrus fruit and avocados will be produced by small individual producers and cooperatives on 1,400 manzanas. The objective is to reclaim the potential for fruit production on the Carazo Plateau and satisfy domestic demand.

3. Gaspar Garcia Laviana Stockraising Project (on the southern border): This project is centered on the breeding, raising, and fattening of livestock on 10,000 manzanas by self-defense cooperatives. It is suited to the area's potential and to the need to strengthen that border strip economically and militarily.

4. Nocarime-El Dorado: 4,000 manzanas of irrigated rice in Rivas to meet domestic demand.

5. Pure Brahman herd genetic material: Purebred livestock will be produced for the genetic improvement of national beef cattle in Rivas. The project currently has 2,600 purebred breeding cows.

6. Expansion at IFRUGALASA: The entire installed capacity will be used to produce new lines (bottled juice and fruit concentrates) for the foreign market and tomato byproducts.

7. Burley tobacco: 3,000 manzanas for export tobacco in Rivas, Carazo, and Nandaime. For this year, 1,500 manzanas will be in production.

Kenaf: 850 hectares to supply SACSA and substitute for its imports of that raw material.

Malacatoya rice project: 10,000 manzanas of irrigated rice in Granada.

Stockraising in the lake basin: 14,000 manzanas for modern dairy production (Ochomogo and Rivas).

Stockraising on the Pacific: the raising and fattening of livestock in Diriamba and Rivas.

Agroindustrial expansion of coffee processing plants to handle this year's restored coffee production.



## Economic, Social Changes

Beginning with the success of the revolution, steps were taken in the region to bring about changes that would meet the historical demands of the peasants, the people's masses, and the country's development goals.

### Land Redistribution, Organization of Cooperatives

The region now has a new agrarian structure. Before the revolution, the sector owning farms of over 500 manzanas took up 57 percent of the land. It now has 18 percent. The People's Ownership Sector controls 37 percent, chiefly stock-raising land. For their part, small and medium-sized producers control 30 percent, while the cooperatives have 14 percent of the land in the region.

<u>Land Tenure (in percentages)</u>		
<u>Ownership sector</u>	<u>1979</u>	<u>1983</u>
People's Ownership Sector	-	37.6
Cooperatives	-	14.0
Private sector:		
Large holdings	57.0	18.4
Small and medium-sized producers	43.0	30.0
Total	100.0	100.0

Source: MIDINRA [Ministry of Agricultural-Livestock Development and Agrarian Reform], Region Four.

The cooperative movement comprises 371 cooperatives: 185 agricultural production cooperatives, 118 credit and service cooperatives, 53 "Surco Muerto" cooperatives, and 15 of other types, with a total of 5,846 members. The high percentage of agricultural production cooperatives in this region (50 percent of the total) is significant, since it shows the progress made in collectivizing small producers.

### Land Titles and Transfers

To date, 276 agrarian reform title deeds covering 65,328 manzanas (11.5 percent of the area covered by farms in Region Four) have been issued for the benefit of 5,000 peasant families.

<u>Land Transfers as of 28 February 1984</u>		
<u>Type</u>	<u>Number</u>	<u>Percentage</u>
1. Title deeds issued	276	100.0
Agricultural production cooperatives	168	60.8
Credit and service cooperatives	42	15.2
Individuals	66	24.0
2. Area transferred [in manzanas]	65,328	100.0
Agricultural production cooperatives	47,520	72.7
Credit and service cooperatives	16,623	25.4
Individuals	1,185	1.9

Source: General Directorate of Agrarian Reform, MIDINRA, Region Four.

## Developments in Agricultural Production

The structure of agricultural production is extremely diversified. With the exception of bananas, every crop grown in the country is to be found here. The agroindustrial sector is well developed (two sugarmills; processing plants for rice, coffee, and sesame; a processing plant for fruits and vegetables; cotton gins; and so on).

The commodities that have been boosted most vigorously are industrial sorghum (an increase in area and yield), irrigated rice (increase in area), plantains (800 manzanas recently planted), and Burley tobacco. In the case of every product, there has been an increase in planted area (with the exception of beans) and in yield, the result being a significant increase in production thanks to technological progress and the location of the crops from the standpoint of agroclimatology.

Stockraising, on the other hand, has not grown to the same extent as agriculture. But it will increase at a faster pace in 1984 thanks to modernization programs.

## Social Sector and Infrastructure

Health: In this sector, there has been a 227-percent increase in health centers. Two hospitals and 54 health stations have been built.

Education: A total of 374 primary schools and 20 secondary and technical schools have been built, and there are 32,099 more students than there were in 1978. There are also 2,369 CEP's [Popular Education Centers] with 13,391 students.

Social Projects: The Rivas Hospital (construction completed), the Multidisciplinary Institute in Jinotepe, the Camilo Ortega Regional Agricultural Warehouse (MASA 1), the Nandaime-Jinotepe Regional Agricultural Warehouse (MASA 4), the construction of two health centers, the renovation of two hospitals and one health center, the construction of 600 housing units, and the allotment of 900 building sites.

Source: Regional Technical Secretariat, Government Building, Region Four.

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CSO: 3248/554

## BRIEFS

TRADE WITH CUBA, USSR--During January, Nicaragua acquired from Cuba raw materials, chemical products, and agricultural, transportation, and construction equipment as well as selected housewares amounting to \$20 million. The Nicaraguan Foreign Trade Minister announced that it had negotiated in the Soviet Union and Bulgaria the purchase of machinery, equipment, raw materials, consumer goods, and medicines and drugs amounting to more than \$17.6 million. The ministry also revealed that Nicaragua had received more than \$120 million in exports during the first 3 months of this year. [Text] [FL131436 Havana Domestic Service in Spanish 1100 GMT 13 Apr 84]

CSO: 3248/579

## RUSSIAN DOCTOR DIES DURING 'ANTITERRORIST' SWEEP

## Initial Report

PY171515 Madrid EFE in Spanish 2309 GMT 16 Apr 84

[Report by Alberto Pepe Leira]

[Text] Montevideo, 16 Apr (EFE)--A doctor of Russian origin, who obtained his diploma at Moscow's Patrice Lumumba University, died today after an anti-terrorist operation carried out by Uruguayan military forces in an agricultural colony in the interior of the country. The doctor, who has been identified as Vladimir Roslik, 41, was one of two doctors who look after the health of the Russian immigrants of an agricultural colony located 350 km northwest of Montevideo. Roslik had been detained by a company of the 9th Infantry Battalion, which is based in Fray Bentos, 330 km northwest of the capital.

According to the information that EFE has obtained from relatives and neighbors in the colony, Roslik had studied in Moscow with a scholarship granted by the Maksim Gorkiy Cultural Institute, which was located in the town of San Javier along with the colony. The institute, which was closed down after the 1973 coup, received economic support from the Soviet Embassy. Other young people, all of them children and grandchildren of Russians who left their country after the Bolshevik Revolution and established themselves in Uruguay, have also obtained university titles through scholarships of the now-closed institute.

The doctor, who died under as yet unreported circumstances, was detained during military operations that have been carried out since 12 April along the banks of the Uruguay River, on the western border with Argentina. For some time now the Uruguayan military have had the area under strict control to prevent terrorists from entering the country clandestinely from Argentina. Some young fishermen from the colony were also detained during the operations, which lasted throughout the weekend. The director of a secondary school, surnamed Krosiv, who obtained the post last year, is among those detained by the military.

Roslik's relatives were informed today of his death and they have requested that the matter be clarified. The authorities have ordered an autopsy.

The battalion that took part in the operations belongs to the 3d Army Division, based in the city of Paso de los Toros, located in the central part of the Republic, but no official information has been released yet by the armed forces in Montevideo, although they have confirmed that antisubversive measures are being carried out.

The military government has repeatedly denounced the existence of ultra-leftist movements in the Russian colony in San Javier to the existence of a Marxist organization that intends to revive the proscribed communist party.

#### Officially Confirmed

PY181610 Paris AFP in Spanish 1345 GMT 18 Apr 84

[Text] Montevideo, 18 Apr (AFP)--Today the government officially confirmed the death of an Uruguayan doctor who studied at Lumumba University in Moscow. He died in a hospital outside Montevideo after being held at a military unit for 8 hours. In statements made to a morning newspaper, Army Commander Lieutenant General Pedro Aranco admitted the death of Dr Vladimir Roslik from a heart attack while being held for interrogation for alleged terrorist activities.

Aranco did not give any more details except that an official communique will be released. He confirmed, however, that the arrest took place during military operations being carried out since last week on the border area with Argentina during which several persons, particularly students, were arrested. Some of them have already been released. Director Krosiv of the San Javier study center is reportedly still under arrest as a result of these military operations aimed at carrying out strict control over this area to prevent the entrance of terrorists and weapons from Argentina in an effort to reactivate the subversive armed structure in Uruguay.

Vladimir Roslik, 35 years old, is a descendent of one of the Russian families who after the 1917 Bolshevik revolution emmigrated to Uruguay, settling in San Javier, Rio Negro Department, 340 km northwest of Montevideo.

CSO: 3348/384

## ANDRES PEREZ SCOLDS COPEI FOR CRITICIZING LOAN TO ARGENTINA

Caracas EL NACIONAL in Spanish 3 Apr 84 p D-1

[Article by Mario Villegas]

[Text] Former President Carlos Andres Perez yesterday condemned the effrontery of the Social Christian Party's (COPEI) criticism of the \$100 million loan Venezuela has extended to Argentina.

The former president stated that by taking such a position, the Social Christians are paving the way for a scandal that will damage Venezuela's international image. He went on to explain that the national government is not giving its southern neighbor one cent of its active resources, but the Central Bank of Venezuela is simply making a 30-day deposit in the Central Bank of Argentina.

As has been reported, Venezuela, Mexico, Brazil and Colombia agreed to extend a \$300 million loan to Argentina so that the government of President Raul Alfonsin can meet the back interest payments on his foreign debt. Of that amount, the government of President Jaime Lusinchi assumed responsibility for \$100 million.

COPEI Secretary General Eduardo Fernandez demanded on behalf of his party that the national government explain the aid granted to the Argentine nation, and pointed out that Venezuela already has enough problems to solve without taking on others'.

"I was stunned by the effrontery of the COPEI Party's position on this situation," former President Perez told us yesterday. "During the COPEI government, we supported at all times the Latin American economic cooperation efforts of the Luis Herrera administration, which were a continuation of the actions I took. And although I did not agree, for example, that Venezuela should provide soft credit at 2 percent when interest rates were as high as 17 and 20 percent, because Venezuela was not in a position to do so, I kept silent because I did not feel it was healthy for Venezuela's international image to stir up a scandal over Venezuela's unusual gesture of granting loans at 2 and 3 percent."

He added that during his administration, there was economic cooperation with the nations of the Caribbean and Central America, but at an interest rate of 8 percent, which was the going rate at the time. "And now, when the Venezuelan Government, in a policy of self-defense and the defense of Latin America, agrees with other countries that are worse off than we are, such as Brazil and Mexico, to provide support for Argentina, it is strange that the COPEI Party should want to start a scandal like this to tarnish our country's international image," he said.

"It was a 30-day deposit from the Central Bank of Venezuela to the Central Bank of Argentina, in an agreement with Brazil, Mexico and Colombia to keep Argentina from having to declare bankruptcy. Thus, Venezuela is not giving a cent of its active resources, but it is expressing real solidarity in backing up Argentina."

#### Honduras Should Not Be U.S. Military Base

When interviewed by reporters, Perez appeared to have a cast on his right hand. Before moving on to another subject, the journalists asked about it. "It was a small riding accident," he responded, smiling. Another person explained later that the former president "had fallen off a horse."

CAP, who is very concerned about international problems, feels partially satisfied that Gen Gustavo Alvarez Martinez, chief of the Armed Forces of Honduras, was removed from his post and expelled from that Central American country. He claims, however, that "the Honduran problem" cannot be resolved as long as Honduras continues to be a U.S. military base.

"I have always expressed my concern about the weak democratic structure in Honduras, and now I am happy that things did not turn out as I had feared. I thought that President Suazo Cordova would unfortunately be displaced by Gen Alvarez. The fortuitous outcome seems to me the best that could have happened to Honduras. But as long as the serious problem of Honduras' serving as a U.S. military base continues, I think the Honduran problem will not be resolved."

8926

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## POLITICAL LEADERS PRAISE GOVERNMENT'S AID TO ARGENTINA

Caracas EL NACIONAL in Spanish 3 Apr 84 p D-1

[Article by Imperio Rodriguez]

[Text] The \$300 million multilateral financial package for Argentina to pay the interest on its foreign debt was well received by political leaders, although they questioned the timeliness of the national government's announcement of Venezuela's participation.

The most categorical criticism of the transaction came from Social Christian Deputy Gustavo Tarre Briceno, who denounced the "clandestine nature" of Venezuela's \$100 million contribution. He announced that the COPEI delegation will ask that Finance Minister Manuel Azpurua be summoned to testify before the Congress of the Republic.

This demand by COPEI Secretary General Eduardo Fernandez was met with the statement by the chairman of the Finance Committee, Armando Sanchez Bueno, to the effect that "COPEI's criticism smacks of pettiness."

The leaders of the left expressed their approval of Venezuela's "joining the pool of countries" that extended the loan, and advocated that all debtor nations implement mutual aid measures. They also pointed out that common grounds for negotiations with international creditors should be laid down.

Armando Sanchez Bueno (Democratic Action)

The chairman of the Finance Committee, Armando Sanchez Bueno, pointed out that the government's action to provide resources in the form of a loan constitutes the best possible gesture of democratic solidarity. In this regard, COPEI's criticism seems petty under the circumstances, in the opinion of the Social Democratic deputy.

"So far there has been no official statement on the matter," acknowledged Sanchez Bueno initially. "At this time, however, the Republic of Argentina is suffering severe financial problems, and cannot meet the commitments involved in servicing its debt. The national government's action to provide resources in the form of a loan is the best possible gesture of solidarity and support, not only for our sister nation but also for the incipient democracy that Alfonsin is vigorously pursuing."



In noting the "petty attitude" reflected in COPEI's criticism, he recalled that the Luis Herrera Campins administration "in this same refinancing process lent assistance to countries in the Caribbean area, such as Jamaica."

"Moreover, Mexico and Brazil are worse off than Venezuela, but they also contributed generously to save a sister nation, which as I have said, is undergoing serious difficulties."

Gustavo Tarre Briceno (COPEI)

The interim leader of the COPEI delegation, Gustavo Tarre Briceno, indicated that Venezuela's economic relations have always been carried out in the name of solidarity, and commented that in this case, the clandestine nature of the loan granted by the government deserves the most resounding repudiation.

He stated that two comments must be made regarding the loan extended to Argentina:

"In the first place, the clandestine nature of the transaction deserves the most resounding repudiation. It is highly unusual that we should be informed of this loan by news agencies."

In the second place, he remarked, it is worth noting that a government that is "incapable of refinancing our own debt is using our funds to refinance what other countries owe."

Tarre announced that he will propose that the finance minister be asked to report on the nature of the transaction and "try to justify its secrecy."

Teodoro Petkoff (MAS)

In the view of the president of the Movement Toward Socialism (MAS), it is praiseworthy that Venezuela has joined the pool of debtor nations willing to help Argentina, and our country could also benefit from similar aid in any critical situation.

"Even though matters like this should not be announced by means of the international press agencies, but should be sent through the proper channels to the public, I agree that Venezuela, along with other countries, should extend the loan to Argentina to help that country meet the interest payments on its foreign debt, considering its current plight.

"I think this simplistic, sensationalist--and, I'll admit, convincing to the ill-informed--argument that we have too many problems to be helping others is irrelevant."

Jesus Angel Paz Galarraga (MEP)

The secretary general of the People's Electoral Movement (MEP), Jesus Angel Paz Galarraga, expressed the opinion that the loan granted to Argentina reveals an urgent need to reach an agreement among the debtor nations of Latin

America to set forth the common grounds for negotiation with international creditors.

"This does not mean necessarily that we advocate the formation of a debtors' club, but it does favor more reasonable treatment by international banks," he said, referring in particular to Venezuela, Brazil, Mexico and Argentina.

Hector Perez Marcano (MIR)

For Hector Perez Marcano, the government's decision bears no criticism because it represents an attitude of solidarity, and is part of a multilateral action that Venezuela might also make use of in the future.

In his view, what is reprehensible in this case is that although the government promised openness and consultation, it reached the decision in secret.

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## CTV SUBMITS WORKERS' DEMANDS TO FEDECAMARAS

Caracas EL NACIONAL in Spanish 3 Apr 84 p D-6

[Article by Hugo Lopez]

[Text] The Confederation of Venezuelan Workers (CTV) yesterday delivered to the Venezuelan Federation of Associations of Chambers of Commerce and Industry (FEDECAMARAS) the document that resulted from the meeting of its Advisory Council. The document proposes various measures to implement the compensation demanded by labor in order to prevent the erosion of workers' buying power.

The CTV delegation, whose interim head is Deputy Juan Jose Delpino, was greeted at the FEDECAMARAS headquarters by the organization's small board of directors, made up of Adan Celis Gonzalez, Rafael Marcial Garmendia, Raul Lopez Perez and Jorge Serrano.

The labor federation's document contains 16 points which set forth the workers' aspirations in terms of wage compensation, in view of the deterioration of the currency's buying power.

Some of the salient points of the document, which is to be submitted to the national government as well, appear below:

Policy of Subsidies and Wage Compensation

To protect the buying power of wages and to aid families that do not earn enough income to meet their basic needs, the government should require the business sector to make a contribution to underwrite part of the expenses the workers incur daily in order to render their services to the business sector.

On this basis, the CTV proposes a program with the following elements:

- a) The granting of the exchange subsidy for food, medicines and other inputs for the manufacture of basic consumer items should be conditioned on the stabilization of prices at current levels.
- b) The direct subsidy to families with income lower than 3,000 bolivars per month should be accelerated so that they can purchase essential consumer items (family basket).

- c) All necessary action should be taken to ensure the rapid and efficient installation and operation of dining halls for low-income people at industrial sites, where lunches paid for by the employers, the government and the workers would be served. For this purpose, the positive aspects of the low-income dining halls program that functioned until a few years ago, should be taken into account.
- d) A system for distributing free daily lunches to primary and secondary students should be established.
- e) Measures should be taken to bring down the costs of education for low-income sectors.
- f) Differential rates should be established to help low-income families pay for utilities such as water, electricity, sanitation, telephones and gas.
- g) Public health services should be improved and extended for low-income classes, and the prices and quality of private medical services should be effectively controlled.
- h) Other special transfers should be made to low-income sectors of the population, such as scholarships for outstanding students and plans for free or subsidized tourism and recreation for efficient workers.
- i) The legal minimum wage should be adjusted to reflect current economic conditions.
- j) A serious study should be undertaken of the possibility of introducing legislation to protect the unemployed and set standards of justice and equity in retirement and pensions.

#### Cooperation

The CTV document requests that the high-level Tripartite Commission (CTV-FEDECAMARAS-government) proposed by the president of the republic be formed in order to institutionalize a permanent system for consultation among the state, business and labor regarding national economic and social affairs.

#### Tax Reform

A modification of the tax system, which is now capable only of collecting taxes from wage-earning Venezuelans and hardly collects anything from those with the highest income, is another proposal submitted by the CTV to the government and the business sector, through FEDECAMARAS.

The CTV feels it is imperative that serious tax reform be approved rapidly, to lend greater equality to the tax system, expand the sources of ordinary revenue for the Treasury, and improve the distribution of income and wealth, and the patterns of consumption, savings and investment.

"For these reasons, the government should vigorously enforce the measures it has decreed to reorganize the national Public Administration and to cut current spending, and it should also proceed to reallocate the resources earmarked for many investment programs that will yield little economic or social return."

The CTV also believes that the government should improve present systems of control, monitoring and sanctions so that all natural and moral persons will meet their obligations to the national Treasury. For this purpose, it stresses the need to pass the Tax Code as an essential component of the fiscal reform that the nation demands.

#### General Price Control

After discussing the severe imbalance between the inflow and outflow of foreign exchange and its repercussions on the value of the bolivar and the acceleration of inflation, the CTV asserts that "under the present circumstances there is no alternative but to impose a rigid price regulation system that will rationalize the profit rate for producers, reduce the high margin taken by marketing middlemen, and prevent manipulations to impede the normal supply of products and the development of healthy competition among all the elements that wish to operate on the market to supply goods and services."

"That is," in the opinion of the CTV, "the only way to obtain a true contribution from the business sector that will not ultimately be passed on to the consumer."

#### Law on Costs, Prices and Wages

Another controversial point set forth in the CTV document refers to the bill on costs, prices and wages. It contends that this legislation "is good for all social sectors" because it sets up a means for communication and cooperation among the representatives of the labor, business and government sectors.

"Thus," explains the CTV, "the process of setting prices would not be carried out unilaterally, and all parties involved would have the opportunity to express their desires and reservations on the matters in question."

It points out that such a mechanism would not have any force, systematization or permanence if a law is not passed requiring the parties to participate in the analysis, design and search for agreements to guarantee a fair balance among costs, prices and wages.

"In this regard, the discussion of the bill in question, introduced in Congress by the CTV's congressmen, would serve such purposes, and would certainly be a moderating influence on exaggerated demands. If such demands were met under the present circumstances, they would be the catalyst that would set off a wave of inflation, and that is to be avoided."

## Measures to Create New Jobs

With regard to the government's decision to expand the payroll of private businesses by 10 percent, the labor organization warns that this increase should be effected across the board in business, for the simple reason that unemployment affects the entire gamut of workers.

"The business sector has made a commitment to the country that should be carried out fully, seriously and responsibly, to the effect that in the short term the growth of employment will produce an increase in income, which will translate into an increase in demand and a greater supply of the various goods and services that are put out by the domestic productive apparatus."

As for the government itself, the CTV reiterates that it is adamantly opposed to the massive lay-off of government employees, since decisions of this nature lead only to the aggravation of the crisis and the violation of the principles on which the government's proposed Social Pact is based.

In addition, to reinforce the measures that would generate more employment, the labor organization estimates that the government would have to implement an ambitious investment program that would create well-paying, permanent jobs in order to solve, if only partially, the country's unemployment problem.

The CTV recommends that the sectors that should be targeted for such a program are:

a) The manufacturing industry, especially textiles, shoes, plastics, metal-working and chemicals; b) the construction industry, with an emphasis on low-cost housing; c) agriculture and agroindustry; and d) tourism.

Along these lines, the government should guarantee that the workers who are transferred from the public sector to the private sector are not then discharged.

## Collective Bargaining

In order to counter the inevitable effects of the measures to adjust the national economy on workers' real wages, the CTV proposes that all collective bargaining contracts be reviewed so that their economic clauses can be modified to reflect increases in the cost of living and changes in the economic and financial conditions of each industrial sector or private business.

"This review process should take place before 1 January 1985. If this and other compensatory mechanisms are not forthcoming, the CTV will have no alternative but to propose a general wage compensation," warned the country's principal labor organization.

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## AD'S EFFORTS TO IMPOSE NOMINATION OF UCV LEADERS CRITICIZED

Caracas BOHEMIA in Spanish 9-15 Apr 84 p 24

[Article by Sanin: "University Elections"]

[Text] An election of university authorities with the opposition's victory benefits the country more than a selection of rectors identified with the government. The university should be a conscience, a coat-of-arms, a platform, an inspiration and a faith in the nation's service. The failure of the university is the collapse of the republic, and the latter is aggressive and progressive when a spirit of renewal and change comes from the classrooms. Moreover, the university in Venezuela has always been the refuge of the best causes, the outpost against dictatorship and the safeguard of dignity during the gloomiest phases of the historical process; this was the leadership exercised by Paez, Monagas, Guzman, Castro, Gomez and Perez Jimenez. The university has always been the anti-force and the anti-reaction against policing.

These values have reappeared on the occasion of the election of university authorities at our leading educational institution and the one in which the principle of autonomy is most deeply rooted: UCV [Central University of Venezuela]. The university council mobilized to prevent the government in office from attempting to impose the appointment of a rector without academic qualifications and with a poor record as a dean, when he made the latter office an opportunity to persecute, punish and repress, as if the university were a barracks or a shabby village governed by a civil leader.

AD's [Democratic Action] serious mistake was insisting upon imposing the appointment of Piar Sosa, an individual who had no consensus even in the party itself; because both Luis Manuel Penalver and Miguel Angel Perez (also a candidate for rector) expressed their disagreement with that candidacy. Another mistake made by AD was attempting to turn the faculty election into a political contest, with a display of propaganda costing millions, which evoked an opposite reaction owing to the repugnant features of that advertising, which was clearly not in keeping with the candidate's faulted image.

This is the first severe and serious defeat suffered by AD in the government, when it has been in power for only 2 months. Another major mistake was, furthermore, the effort to control the university at a time when AD was expending

enormous efforts to take charge of the Controller's Office, the General Prosecutor's Office and the Supreme Court of Justice. That tendency toward subjugating branches of government and services met with resistance from the Central University, and the classrooms were again considered the refuge and province of dignity and independence, against the advances of an intransigent, sectarian government. It was the first blow sustained by the autocratic, single-party policy of Dr Jaime Lusinchi, whose goodfellowship, humility and expansiveness disappeared in that political test, namely, the election of authorities at the UCV.

A new era is beginning for AD, whose leaders are again in confrontation with the country's best intellectual and morale forces, opposing the attempt to establish an arrogant, absorbing, partisan hegemony in Venezuela such as the one that attempted to govern between 1945 and 1948 with a tragic denouement, the overthrow of Gallegos. We later learned that the AD party had called for self-criticism, to surmount the mistakes of its first government, even resorting to the method of coalitions and institutional pacts to preserve the state of law and constitutionality; and that was the task of such men as Betancourt, Leoni and Barrios.

But, unfortunately, those leaders are either deceased or outside the country; and hence the policy has become more complex, difficult and harsh; with the attempt to subjugate the UCV and to exercise clearcut, firm control over the judicial branch, the Prosecutor's Office and the Controller's Office. AD has just elected straw men in the Controller's Office and the Prosecutor's Office, breaking the agreements with the opposition and opening up a very dangerous prospect for the future of our weak democracy. It does not cease to be painful and sad that a man such as Jaime Lusinchi, so closely associated with a magnanimous notion of power, and possibly inclined toward expansiveness (as he pledged in his inaugural message), should now appear committed to an anti-national, subjugating, sectarian, partisan conduct. If this is happening only 60 days into the government, the future becomes more gloomy and tragic, observing how the cost of living discloses that the country was deceived and mocked when it was promised a real change; and when the subjugation of the institutions shows that we are facing a new, disguised autocracy, which needs to be exposed. The municipal elections are an opportunity for condemning that policy.

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## AD LEADERS REPORTEDLY INVOLVED IN POWER STRUGGLE

Caracas EL NACIONAL in Spanish 7 Apr 84 p D-16

[Text] Despite the fact that the date for the selection of the candidate is so far off, the battle for the presidential succession has started to "cook on a slow burner" within Democratic Action [AD]. Hence, when the municipal elections are over, a process of internal aspirations will begin, that will have two phases: over the short term, the party's secretary general's position; and, over the long term, the 1988 presidential candidacy.

Although many leaders are making loud noises, claiming that no one in AD is discussing candidacies, it is no secret to anyone either inside or outside the white party that four options are already being bandied about, with a view toward 1988. They involve former President Carlos Andres Perez; the minister of foreign affairs, Octavio Lepage; the head of the congressional faction, Carlos Canache Mata; and the hopeful defeated in the last internal process, David Morales Bello.

To date, the major and most publicized confrontation has arisen between Canache and Lepage. The AD congressional leader has referred in harsh terms to what he describes as Lepage's advantageous position in the Interior Ministry; and he has even gone so far as to claim that in AD there will never be an acceptance of "PDVism" (with this adjective, he is giving a reminder of the electoral apparatus created by the followers of President Isaias Medina Angarita, which was called the Venezuelan Democratic Party [PDV]). Meanwhile, in the government, the criticism is being reverted to Canache Mata, accusing him of creating regional command groups on behalf of his candidacy and, in general, engaging in "gross" activities in search of a possible presidential nomination.

In the meantime, former President Perez is "enjoying attention," appearing to be "picking off petals from the daisy," insofar as the candidacy is concerned; and is continuing his feverish political activity with acts and statements that keep him prominent through the various news media.

Morales Bello, who has publicly appeared rather behind in the internal competition, is also engaged in constant partisan activity. He has received countless AD leaders on all levels, both in his office in the Maracaibo Tower building and at the office assigned to him in the Supreme Electoral Council.

Similarly, nearly every weekend he pays visits to the various sectional groups of AD in the interior part of the country.

#### The Reelection

AD's high command has put a damper on the debate which had begun regarding the presidential reelection. It would be very difficult for the white party to promote a constitutional amendment for the purpose of definitively establishing non-reelection. For the present, this would have a given name and a surname (Carlos Andres Perez), and would lead to an unnecessary controversy, with unforeseeable future repercussions. Surely, AD's "best" will decide to leave things as they are, and wait for time and circumstances to clear up the situation.

Most of AD's national leaders regard former President Perez' aspiration as logical. They point out that neither the Constitution nor any law, much less the party's statutes, preclude his being able to opt for the candidacy again. They also consider CAP to be a leader with complete authority among the members of Democratic Action; hence, the day when it disregards his aspirations, it will be left alone. The former president has authority so long as he leaves open the possibility of a new candidacy; otherwise, if he should end it, he would lose a great deal of his present influence among the party leadership and its rank and file.

While the talk continues about his potential candidacy both inside and outside AD, no one has a clearcut notion of the final position that former President Perez will assume. Some think that he might imitate the course of action taken by Romulo Betancourt: making everyone think that he would run again, and declining the candidacy at the last minute, but becoming an extremely important and very influential factor when it was time to make the final decision in the matter. Others claim that the temperament and personality of both former presidents are different and that if CAP decides to, he will proceed to the end and may possibly become AD's candidate for the 1988 elections.

What does the former president say to all this? It is known from some of his close associates that Carlos Andres Perez clearly holds that the Constitution grants him that right again; but that he will make use of it only if the tropics, his health and the party's circumstances make it possible for him. Of course, like any ex-president, he thinks that he ran a good government and should return because he left some work unfinished.

#### The Secretary General's Position

On paper, the AD members banned any internal activity that might be related to the processes for replacing party authorities or for the selection of the next presidential candidate.

But facts are persistent, and if there is already talk of precandidacies for 1988, there is all the more reason to embark fully on the aspirations opting for the party leadership once the municipal campaign in the country has ended.

For the present, the efforts of the AD machine are aimed at solving problems and seeking a new victory in the municipal elections on 27 May.

Democratic Action's current CEN [National Executive Committee] resembles an archipelago insofar as movements and personal positions are concerned. Many events that occurred during the last electoral process and up until the very formation of President Jaime Lusinchi's government have created the situation which prevails today. Gone are the days when the movements or tendencies could be readily identified: Betancurists, Perezists, Lusinchists, Pineruaists or Davicists.

An infinite number of reaccommodations have occurred within Democratic Action. They have had their origin in such phenomena as the death of Betancourt, the rise of Lusinchi and the new aspirations for candidacies. We could cite two of the many examples: The Perezist front appears rather split, because three of its former members (Lepage, Morales Bello and Canache Mata) are currently aspiring to the presidential candidacy. Three ministers in the present government (Lepage, Hernandez Grisanti and Manzo Gonzalez), who were in different movements previously, are now intimates of President Lusinchi, and it is possible that they will agree with the latter when it is time to decide on a candidacy in the future.

All the foregoing comments are aimed at explaining to the reader the difficulties that will be posed when it is time, not only to select the next AD secretary general, but also to elect the members of the white party's next CEN.

For the present, Manuel Penalver has the first option for continuing as AD's secretary general, because he has the backing of the powerful trade union bureau and of President Lusinchi. But the candidacies for that post of David Morales Bello, Carlos Canache Mata or a member of the younger generation, who might be Humberto Celli, are not to be precluded.

Former President Perez will certainly oppose Penalver's reelection. It is even claimed in AD's gossip circles that he might back Morales Bello. To be sure, the appearance of a strong contender against Manuel Penalver will depend in the long run on the position assumed by the other members of AD's "best." When it is time to make a decision in this matter, a great deal of weight will be carried by the opinions of Gonzalo Barrios, Reinaldo Leandro Mora, Luis Pinerua Ordaz, Alejandro Izaguirre and other fundamental leaders of the white party.

During the coming months, we shall observe major activity on the part of some leaders of Democratic Action's so-called middle generation. In addition to Humberto Celli, you will note Marco Tulio Bruni Celli, Celestino Armas and Cristobal Hernandez as being very active. One of them might opt for the party's secretary generalship, and even appear among the precandidates for 1988; although it is a good idea to predict it now; the real aspiration of this group has a date: 1993.

As is evident, the situation in AD is not so lifeless or quiet. On the contrary, there is talk of command groups, the collection of election funds, reaccommodations and squaring off, with particular aspirations; and all of this with its gaze fixed on power, through the 1988 presidential candidacy.

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## COPEI LEADER OUTLINES STRATEGY FOR MUNICIPAL CAMPAIGN

Caracas EL NACIONAL in Spanish 7 Apr 84 p D-16

[Text] "Let's put a stop to the AD forces!" exclaimed Eduardo Fernandez yesterday, in the presence of the over 1,000 candidates for council seats who were elected last Sunday in the COPEI [Social Christian Party] primaries.

The function took place in the Plenary Hall in Central Park and, in addition to the secretary general of the green camp, Jose Curiel, Hilarion Cardozo, Luis Corona, Oscar Yanez, Orlando Contreras and Sofvirami de Guerra spoke about the strategy that they would pursue in the municipal campaign.

In attendance was former President Herrera, who remained until Hilarion Cardozo spoke. He left a few moments before Eduardo Fernandez was called upon; and the latter virtually made a "triumphal" entrance, midway through the ceremony, receiving applause from those present. Pedro Pablo Aguilar and Donald Ramirez, among others, were there representing the national leadership of the Herrera-Pablist movement. Pepi Montes de Oca was not present, and they were rather serious. Aguilar left immediately after Fernandez made the final remarks. "I am departing, like Luis Herrera," he was heard to say.

The main feature of the COPEI strategy will be to assume the defense of the people, the workers and the middle class, against the rise in the cost of living; attacking the economic measures that the government has put into effect. The COPEI members will carry out two fundamental operations: "Operation Pull," coordinated by the organizational secretariat, the purpose of which is to contact all the militants registered in COPEI, so that on the day of the municipal elections they will show up to vote and, in addition, bring at least two more voters to cast their votes for the party. Then there is the operation involving "electoral board officials," consisting of the organization's nomination of board members, witnesses and secretaries.

Fernandez: I Shall Not Play It 'Safe'

Eduardo Fernandez made a very interesting comment, which seemed to be addressed to some of his colleagues in COPEI's national leadership: He announced that he would become totally committed to the municipal campaign, and would not play it "safe."

And what is "safe"? In the first place, the COPEI secretary general said that the main enemy to defeat in the municipal campaign is not Democratic Action, but rather abstention. For this reason, he explained, everyone must engage in hard work. He recommended that the candidates for council seats should redouble the efforts made for the primaries in preparation for the municipal elections. He placed himself at the disposal of all the districts and municipalities, noting that he had told his colleagues in the Secretary General's Office that they must organize his time so that he could travel whenever it was required. He commented: "I am at your disposal, and I shall carry on a campaign for you."

Then he added that he was convinced that his colleagues in the national leadership, from Rafael Caldera, "the party's top-ranking leader," to the most subordinate ones, and including Luis Herrera, would also be willing to do the same.

"And I don't accept the argument claiming that, since we lost the elections of 4 December, we are necessarily doomed to an absolutely negative result in the municipal elections. We shall fight hard, comrades; you must realize that this is an aggressive, battling party...."

Then he remarked that he had studied carefully both the defeat and AD's position in the 1978 municipal elections, noting that many leaders of that party had started playing it "safe." "They refused to become involved in the municipal campaign, because they didn't want to run the risk of the results being poor, as was foreseeable, and their being associated with a defeat."

#### Winning the Primaries Is Not Winning the Elections

He urged the elected candidates to work. "Winning the primaries is not winning the elections. There is a very great difference, and I would not want you to get carried away."

He told them to go from house to house, visiting each voter.

Insofar as the 33 percent to be elected by the National Committee was concerned, Fernandez said that the rules for the primaries would be complied with, and that the party leadership would put independents or COPEI members on the second echelon, positions that they would have to assume for one reason or another. He related that, at his meeting with the chairmen and secretaries of the sectional groups, the latter had requested of him that the 33 percent be eliminated and that the committee submit its resignation to him. But the COPEI leader told them that this was impossible, because the ticket had to be balanced, and made attractive.

He gave two examples, saying that, if there were in the community a "Jose Gregorio Hernandez-type" doctor, whom everyone liked, he should be included on the ticket. An attempt should also be made to include journalists or individuals linked with the news media, who had an influence on public opinion.

To involve them more, he announced that the campaign chiefs would be all the candidates for council seats. He observed: "Just as they strove to obtain votes in the primaries, they are not going to let me down now."

#### Voting for the AD Candidates Means Wasting the Vote

Then Fernandez described the stiff opposition line that COPEI will assume in the campaign. He said that they would have to turn the councils into instruments for the people's defense "against the threat of an arrogant, presumptuous, conceited government, and put a stop to the AD candidates."

He added: "Voting for the AD candidates means wasting the vote. They are using the 211 regulation wrongfully, categorizing as intimate personnel individuals who have served for several years in the administration. They are throwing them out into the street because they do not belong to their party. They think that the decision of 4 December made them masters of the country, giving them a free rein to trample on the rights of the public administration; and also to control the Congress and make the steam-roller operate, whether there is a reason for it or not."

"The country will not turn over the municipal councils to them. They can serve as a factor for democratic balance, and as an instrument for the people's defense against the threats of runaway inflation."

Finally, he declared that they must struggle and prepare for a reconquest of power in 5 years, with a concrete strategy.

#### Cardozo: No Inhibitions Should Be Felt About COPEI's Municipal Accomplishment

Hilarion Cardozo, who spoke previously, placed emphasis on the municipal strategy against Democratic Action. In particular, he greatly underscored the fact that the COPEI members should not feel "inhibited" about the municipal government's accomplishment. He gave a reminder that the AD administrations have shown up as the worst examples.

He also lauded Luis Herrera, who was present on this occasion, saying that the former COPEI president had restored "dignity to the Presidency of the Republic."

He cautioned that it was necessary to carry out the campaign programs, and claimed that, because they had not been carried out in the presidential elections, "the results hoped for were not accrued."

He exclaimed: "We must achieve COPEI's reconciliation with the country,"

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CHAIRMAN OF CONGRESSIONAL FINANCE COMMITTEE DISCUSSES ECONOMY

Caracas EL NACIONAL in Spanish 2 Apr 84 p C-1

[Interview with Armando Sanchez Bueno, chairman of the Congressional Finance Committee and national leader of the Democratic Action (AD), by Alfredo Pena; date and place not given]

[Text] The drama of the foreign debt has moved closer to crisis proportions in recent days as a number of nations have reached deadlines for payments on capital and interest. Banks have maintained a very discreet position but have let it be known that there will be no new loans, much less lines of credit for countries not able to honor their commitments. Latin American nations have demanded better conditions regarding terms and interest, alleging that service on the debt cannot compromise or exceed the amount of resources obtained by exports. The Latin American countries have also said that the more developed countries must put an end to protectionism and provide better privileges for their export products. Latin America logically refuses to commit all its resources to paying the debt. This poor, underdeveloped continent is requesting large sums of money to handle their extreme social problems and try to maintain a minimum rate of development however possible. The banks, whose priority is to collect their money, understand that paralyzed economies will never be able to pay a cent, but at the same time, they cannot fail to submit their bills on the deadlines and require drastic changes of those who have squandered and poorly administered both their own and foreign funds. Today, the Forum's guest is Armando Sanchez Bueno, chairman of the Congressional Finance Committee and national head of the Democratic Action.

[Question] During the election campaign, the party and candidate Lusinchi promised that if they won the elections, which they did on 4 December, the debt would be refinanced very shortly. One or two months maximum, they said. What has happened to prevent them from keeping that campaign promise?

[Answer] Of course, I could not give you the exact time or terms of that campaign promise made by President Lusinchi, then the candidate. The government has taken steps to obtain refinancing of the debt soon. Measures have been taken aimed at achieving economies in government spending, basically in regular spending. This will in turn generate resources to pay the service on the debt. The austerity measures being implemented and with which the country is familiar are aimed at the same objective. The main goal is to revive the economy, create jobs and restore confidence. Increased production would make it possible to



save on foreign exchange which we are now using on imports. In that way, we would be better able to develop other programs and pay the debt.

[Question] When he was a candidate, President Lusinchi promised that our country would cease to be a defaulter and pay the very last penny, catching up on the payment of capital and interest on the public and private debt. What has happened to cause us to fall behind on the payment of capital and interest on the foreign debt?

[Answer] From the standpoint of the Venezuelan Government, President Lusinchi and his administration are keeping their promise to our nation's voters. The Finance Committee has just approved a transfer of resources (975 million bolivars) so that the agencies behind on the payment of interests might fulfill their obligations. The government will completely catch up on the payment of its obligations. This will strengthen the government's position with its creditors when it comes time to establish the terms of renegotiation. This will help us to fulfill the obligations imposed by the enormous public debt, mainly a short-term obligation, which we inherited from the previous administration.

[Question] What about the payment of interest and capital relating to the private debt?

[Answer] That is different. In this case, the government represents the interests of the public sector. If private parties owe interests, they must seek the resources needed to buy dollars. The resolutions of this administration establish the possibility of buying dollars at 4.30 for the payment of capital and 7.50 for the payment of interest.

[Question] When the president was a candidate, he made no distinctions, in promising that we would not continue to be negligent in paying, with respect to the commitment to pay the last penny of the foreign debt. If he did not do so when he was in the opposition, why should he do so now?

[Answer] The president was then referring to the country and he is keeping his word. But the party responsible for paying the interest of the private sector is not the government. Nevertheless, I believe that the National Executive will provide easy terms to private parties so that they may meet their obligation.

[Question] The banks believe that the situation is more or less the same. The private sector has now paid interest for a year and the public sector is not up to date either. Caracas Electricity, the cement works and other private enterprises are far behind.

[Answer] The delay of the enterprises you point out came about because there was no decision with respect to payment of the debt at 4.30. That has been remedied. But the private debt will not all be recognized at 4.30, only that constituting a priority for the country's development. This is what was established by the government's resolutions.

[Question] Herrera, Lusinchi and Caldera have always recognized the need to pay the private debt, the legitimate private debt, naturally, at 4.30. There has never been a problem with this. The problem has always been and continues to be the RACADI [Differential Exchange System] authorizations so that the Central Bank may sell those dollars.

[Answer] Yes, but do not forget that there were discrepancies over the real amount of that debt. I recall that long before 18 February 1983 we met with officials from the private sector who told us that the debt was on the order of \$5 billion. However, later, when RECADI drew up the record, it amounted to \$14 billion. There were probably errors in calculation that doubled the amount of the debt. All this delayed the process.

[Question] You will recall that Dr Diaz Bruzual never agreed with that amount, but you never agreed with him.

[Answer] Because Dr Diaz Bruzual never explained the situation and basically, to the people that were going to have access to the government. I recall that on one occasion, he said that the private debt was \$3 billion. I believe that very soon, within two or three months at most, this matter of the exact amount of the private debt must be duly clarified. With respect to Congress, the Finance Committee I head is making a detailed investigation into the private debt. The report will be submitted to the plenary session of the Chamber of Deputies soon. Congress will give the government the amount of the net recorded debt.

#### Bank Requirements

[Question] I understand that in April, no decision will be made on refinancing the debt. You in the opposition always said that the country had to know the requirements of the bank loaning the money. What are the requirements now?

[Answer] The requirements are the same as those for Mexico, Brazil, Argentina and so on. But Venezuela is not in the situation of any of those countries. We have very substantial income coming from oil. Venezuela will faithfully keep its commitments. President Lusinchi has said that we are not going to subject ourselves to the exigencies of the International Monetary Fund. That institution has required things that one cannot accept or meet.

[Question] For example?

[Answer] I boast of being the first Venezuelan politician to oppose the IMF pretensions. I have always considered them to be interference in our economic and national sovereignty. For example, they proposed the freeing of imports, which is impossible to grant. It would lead to the liquidation of national production. They required the freeing of prices which the Luis Herrera government accepted.

[Question] That happened over four years ago and no one was negotiating with the IMF at that time.

[Answer] We were not negotiating with the IMF, but they have their ways of making their policies prevail with governments and in the private sector. We cannot fail to recognize that the Fund has close ties with international banking and with the Federal Reserve System of the United States. This government has had the courage not to accept that pressure. President Lusinchi and the minister of finance have been categorical. The IMF has not been able to impose its conditions on Venezuela and we in the Democratic Action are partially responsible for this.

[Question] The minister of finance and other high officials have promised that the dollar will reach and level off at 7.50 bolivars. What are these calculations based on? The facts show that far from dropping, the American dollar continues to rise.

[Answer] Because there is speculative maneuvering. The free dollar is always subject to such manipulations.

[Question] Are false illusions not created when the government tells the people that the free dollar will stay at 7.50?

[Answer] No, analyses and studies have been made of the country's objective and economic realities. Before the February 1983 devaluation, we knew that the bolivar was overvalued. The same is true today of the dollar at 14 or over 14.

[Question] Why does the Central Bank impose on the free market a quote higher than what existed when that institution made the decision?

[Answer] That is a strategy of the Central Bank.

[Question] What is it trying to do?

[Answer] Bring the dollar down in order to end speculation. We have seen that it has already begun to drop. We have to move toward balanced prices in the bolivar-dollar ratio and that balance is at 7.50.

[Question] This year will end with a dollar at 7.50?

[Answer] That is possible.

[Question] Are you not creating false expectations with that promise?

[Answer] I am not creating false expectations because the government is constantly checking speculation. We should not forget that capital has no nationality; capital is speculative. There are those who want to take advantage of the circumstances. We have to confront those trying to play with the real value of the national currency.

#### Repatriation of Capital

[Question] During the election campaign, you greatly emphasized the confidence factor and said that restored confidence would bring about the repatriation of capital. Has that come about and to what extent?

[Answer] I cannot give all the information on that aspect because I would have to be in the Central Bank of Venezuela.

[Question] You are chairman of the Congressional Finance Committee.

[Answer] I do not have the information, but that confidence does not come about by magic. This government has been in power for scarcely two months. The government's measures will generate confidence. I am firmly convinced that by the end of this year, much capital that was taken out because of the erroneous policies of the previous government will return to the country.

[Question] Has it come back to date?

[Answer] It has and that capital active on the free market is the product of that.

[Question] Has it come to speculate or invest?

[Answer] To speculate, but the package of economic measures will attract the Venezuelans who took out capital in the previous period.

#### Cost, Price and Wage Law

[Question] I imagine that you are informed of the alarming growth in the cost of living. During the previous period, when meat no longer cost 40 and 50 bolivars a kilo, the Democratic Action, with the support of its candidate Jaime Lusinchi, made the move of passing in the Chamber of Deputies -- you were then president -- the Cost, Price and Wage Law.

[Answer] When that law was passed in the Chamber, one could already glimpse the situation we are now in. Legislation has been passed on the matter throughout the world. In the United States, the highest representative of capitalism, there is legislation and an office on prices, costs and wages. Whatever the case, we have to be cautious. One can set up the office but in the final analysis, the person at the controls is the Chief Executive.

[Question] Then why did you propose -- and pass after the first debate -- the law on prices during the past period, when the cost of living had not gone up as it has in recent days?

[Answer] Under Luis Herrera, the increase in the cost of living was exaggerated. We had an inflation rate of 23 percent, never before seen in the country.

[Question] But according to the Central Bank of Venezuela, the rate of inflation last year was scarcely 7 percent.

[Answer] One would have to examine those statistics with great care. I emphasize that in my opinion, the Cost, Price and Wage commission must be analytical, must give information so that the Executive Branch might make the decisions.

[Question] Why, I repeat, did you attach strings to the proposal you presented under Herrera's government?

[Answer] Because the previous administration was not deserving of adequate confidence with respect to the measures that had to be taken.

[Question] FEDECAMARAS [Venezuelan Federation of Associations and Chambers of Commerce and Industry] spokesmen have said in private meetings that President Lusinchi assured them that that law would not pass and yet, the president himself has told the Confederation of Venezuelan Workers (CTV) that it would. What is the real story?

[Answer] I did not participate in the talks which the president had with FEDECAMARAS and the CTV. I cannot answer the question. I do know that everyone, go government and opposition alike, must seek ways of overcoming the crisis.

#### Special Powers

[Question] Some of you were very critical of the special powers given to President Perez. Why now do you want to give more powers to a government that already has so much power?

[Answer] I have always had my reservations about unlimited special powers. I have been a defender of the powers that the constitution grants to the different branches of the Venezuelan Government, but the country is now in an emergency situation. The government, which was elected by a very broad majority, cannot tolerate interminable discussions in Congress and then make decisions. The Special Powers Law will not grant the president unlimited, but rather, specific powers for specific things. This so that in a very short time, we can solve the grave economic and social problems. The economic and moral deterioration which the country has suffered in the past 5 years is difficult to correct in short-range terms if the government does not have in its hands an instrument for confronting and correcting that bad inheritance.

[Question] How long will it have them?

[Answer] I would say that the president could exercise those powers for six months. Thus the chief of state could act on specific questions and not general matters, as was the case of the powers given to Carlos Andres Perez.

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## RANGEL ANNOUNCES PLAN FOR FOREIGN DEBT RENEGOTIATION

Caracas EL NACIONAL in Spanish 5 Apr 84 p D-13

[Article by Amado Fuguet V.]

[Text] Of the \$27,642,000,000 making up the total foreign debt of the public sector the government will negotiate with international banks to refinance the \$14,274,000,000 corresponding to 1983 and 1984 payments. This figure represents a major adjustment compared with what had been announced by the previous administration, which in August of last year drafted a refinancing law totaling \$18 billion. This sum was later reduced to \$16 billion and now to the figure given above.

Carlos Guillermo Rangel, who is the debt negotiator, has reported that the rest of the commitments --- \$13,368,000,000 -- will not be refinanced.

Based on the explanations of Gustavo Galdo, currently director of public financing of the Ministry of Finance, a post he also held under the previous administration, the reduction in the amount to be refinanced mainly stems from the reconciliation of records to eliminate duplication, as well as endorsements that had been included in last year's estimates.

This reduction implies a revision in the refinancing law, already before Congressional and Ministry of Finance officials.

#### Back Interest

Minister of Finance Manuel Azpurua, accompanied by Rangel and Galdo, held a press conference yesterday afternoon and read an official bulletin.

"The Ministry of Finance, in accordance with its duty of keeping public opinion informed, hereby reports the steps taken by the National Government to normalize all those situations that had stood in the way of procedures necessary to restructure financial commitments made by the republic due in 1983 and 1984. For this purpose, the Ministry has appointed a negotiator with broad powers, aided by an advisory committee made up of highly skilled financial and legal officials to proceed to study and examine all problems relating to the Venezuelan foreign debt and formulate any necessary recommendations."

Azpuruza said that "henceforth, both the Ministry of Finance and the advisory committee will mainly devote their efforts to determine what delays exist in service on the foreign public debt and will study suitable means for smoothing the way to register the private debt and normalize service on that debt. At the same time, there has been continuing consultation with the Central Bank of Venezuela and CORDIPLAN [Office of Coordination and Planning] relating to economic projections made by the National Government in terms of the adjustment measures recently set forth.

"As a result of their work, it has been determined that there were in fact substantial delays in the payment of interest on the public debt of decentralized agencies and with respect to the public debt of the Central Administration, normal compliance has been observed."

#### Private Debt

The minister said that with respect to the debts of the private sector of the economy, a special committee has been appointed to speed up the process of recording the debt legitimately contracted by that sector and, at the same time, establish the legal framework that is indispensable so that private debtors may pay their foreign debt.

"Delays in paying the service on the foreign public debt due on 16 March involve an estimated \$200 million. Between that time and now, \$184.6 million have been paid. It is hoped that the remainder will be paid this week. It should be noted that the amount includes the payment of back interest as well as the commercial debt due of several agencies of the decentralized administration. Consequently, the amount of back interest on the foreign public debt has been reduced substantially. It was this sum that had caused so many problems in terms of refinancing efforts."

He said that "one has to recognize the significant cooperation of the finance committees and of the Officer of Comptroller of the National Congress, the General Comptroller's Office and the Central Bank of Venezuela in obtaining the results mentioned.

"Today, the debt negotiator is proceeding to notify the banking advisory committee of the complete list of payments made, in order to demonstrate the National Government's determination to solve the problem once and for all."

With respect to the foreign debt of the private sector, he said that "the special committee appointed to study and record that debt has begun its work and to date, recording requests have been approved for a sum of \$609,953,144.90. The corresponding debtors are being notified so that they may formalize their respective contracts with the Central Bank of Venezuela in accordance with Exchange Agreement No 2 of 24 February 1984. This will make it possible for payment of interests to begin soon.

"This important action and strict and continuing compliance with established procedures create the necessary conditions for obtaining a new postponement for soon being able to commence negotiations aimed at implementing the refinancing of the foreign public debt."

Azpurua added that the Central Bank of Venezuela the version of the contract which private debtors have to sign to receive the authorized foreign exchange and that certain modifications are being made in that contract and will be submitted to the board of directors.

He emphasized that as pointed out by the president, priority has been given to solving the problem of the debt and that talks will begin with the banks to present the refinancing proposal.

#### Payment Mechanism

The minister of finance explained that the payments made to comply with back interest were possible due to the transfer of a share of the funds so that decentralized organizations might proceed to comply with their commitments. The sums transferred made it possible to pay this month's obligations, he said.

He announced that a mechanism will soon be put into effect enabling the Ministry of Finance to control the payments of decentralized entities.

He reported that this month, negotiator Carlos Guillermo Rangel will meet with the banking committee to request a new extension of capital payments for 90 days, as planned, to begin the first of next month.

He explained that at yesterday's meeting of economic officials, economic projections were examined that will serve as a basis for negotiations with bankers and for predicting possible results of the country's foreign balance as far as 1989.

Azpurua said that this year, interest payments will be made amounting to \$3 billion, corresponding to the public debt. Gustavo Galdo specified that during the first quarter, between \$750 and \$800 million were paid, including certain capital payments required, as reported in this newspaper yesterday. Galdo said that apart from the \$184.6 million that were back payments for 16 March, the government has paid in the past two weeks \$207 million on time.

#### Argentina and the IMF

Azpurua said that while the country did participate in the operation of granting financial aid to Argentina last week, Venezuela will negotiate directly with the banks in refinancing its debt and that it does not intend to hold joint discussions with other Latin American debtors. He said that Argentina of its own free will had agreed to sign an accord with the IMF and that Venezuela has not formulated the possibility of postponing the \$100-million loan granted to that nation for a period of 30 days.

He repeated that Venezuela sees no problem in talking with the IMF but that it will not sign an agreement with that organization as a requirement for refinancing its debt.



PEREZ DISCUSSES CORRUPTION CHARGES AGAINST HERRERA CAMPINS

Caracas EL UNIVERSAL in Spanish 13 Apr 84 p 1-14

[Interview with ex-President Carlos Andres Perez, by Ricardo Escalante, on 12 April 1984; location not specified]

[Text] According to Carlos Andres Perez, from a constitutional standpoint it is quite possible to bring suit against Luis Herrera Campins in Congress.

It is his view that the Venezuelan justice system and Congress should investigate all the facts concerning the scandalous administrative corruption ascribed to the previous government.

The former president of the republic and AD [Democratic Action] senator for life spoke at length on the subject yesterday, concerning the charges made by Deputy Orlando Fernandez against the former national executive, Herrera Campins.

He also did so regarding the warrant for arrest issued by a trial judge for Vinicio Carrera, former minister of transport and communications.

Nevertheless, he avoided expressing substantive opinions on either case, so that no retaliatory intentions would be attributed to him.

Yet he recalls the positions assumed against him by Herrera Campins and Rafael Caldera during the first part of the last 5-year period.

"I was a victim of one of the most detestable and obscene manipulations in which the then President Herrera and former President Caldera played a precisely essential role."

Perez accuses Caldera of having acted with irresponsible indiscretion and harmful intent.

Responsibilities Must Be Determined

[Question] Is it possible to bring suit against Luis Herrera on the congressional level?

[Answer] From a constitutional standpoint, that is quite possible. Now then, I may be the least suitable person to give an opinion on the subject, because I was a victim of one of the most detestable and obscene manipulations, in which President Herrera and former President Caldera played a role precisely. All of Venezuela remembers what those months of maneuvering and political scandal were like. I faced that conspiracy with my determination and my integrity, and the results have been obvious: it failed, it was defeated and those who attempted it came out badly. I did not fear any fact, and assumed complete responsibility; and my party acted in the same way.

Today, when a representative of the opposition proposed in Congress that a suit be brought against Luis Herrera, I think that AD will have to assume neither more nor less than the same position that it assumed toward the absurd "Sierra Nevada" scandal; but we cannot voice opinions in advance, because the attitude assumed by COPEI [Social Christian Party], Caldera and Luis Herrera does not authorize us to act with the same lack of ethics and the same lack of regard for the most fundamental principles of political coexistence and respect for others.

[Question] Should responsibilities and penalties be established for cases of corruption during the past government?

[Answer] The public is waiting for the tragic, frightful problem of corruption to be dealt with in a serious manner, without a retaliatory intent of any kind, and for a determination of who are, at least, the ones chiefly to blame for the disaster that the country is experiencing; because the levels that the corruption in the previous government reached exceed anything that we Venezuelans could imagine about this terrible disgrace that has been attacking us throughout our history. So, I agree that a suit should be brought against those responsible for the scandals that are present in public opinion.

[Question] Do you think that, in the case of former President Herrera, the Congress could hold a discussion and conclude with some vote of political or moral censure?

[Answer] I don't want to express concrete opinions for the reasons that I have already stated, out of self respect and respect for democratic institutionalism; even though my conduct might be justified as revenge for what was done against me. But that is not my way of life, nor my way of acting.

[Question] What is your view regarding Orlando Fernandez' charge?

[Answer] Without embarking on value judgments concerning that charge, I think that he is a congressman who has assumed his responsibility, surely with his party's support. That is a responsibility of his, and it is incumbent on me, as an AD leader, to assume the one that our position in the country, our career and our concept of political ethics require of us; in addition to the responsibility with which we must act toward issues of this kind, which are unquestionably serious. Because bringing suit against a former president is

not to be handled with the irresponsible indiscretion and harmful intent with which Caldera did so, when he was mounting the conspiracy against me.

[Question] What will your position be when the matter is discussed within AD?

[Answer] The same one that I held in the case of the great "Sierra Nevada" plot, when I was the one who proposed to the members of the party that AD should take the investigation of the matter to the Venezuelan Congress.

[Question] Then should the same thing be done this time?

[Answer] Yes, I think that exactly the same thing should be done, exactly the same. Now, what does surprise me is that, whereas in the case of the conspiracy against me, the press, the news media, were even abusive in depicting the whole maneuver, on the other hand, we are now faced with a press that has not attached any significance to what happened in the Congress on Wednesday.

[Question] Should "Pepi" Montes de Oca be subjected to a suit?

[Answer] I am not naming individuals nor am I referring to specific suits, nor do I want to hurt anyone's feelings. I am talking about the conduct that befits us as a political party and as national leaders.

[Question] Do you think that Caldera should assume toward the charges against Luis Herrera the same position that he assumed against you?

[Answer] We shall see; we shall see what he is going to do. That remains to be seen.

[Question] What, in your opinion, should Caldera's position be regarding the charges made against his party colleague?

[Answer] I have no reason to give him advice. I did mention at the time the bad faith with which he acted and the lack of integrity and ethics that he incurred.

[Question] What is your view concerning the warrant for arrest issued against former Minister Vinicio Carrera?

[Answer] I remember very well what I said repeatedly in many messages to the Congress. I often stated that I was not shirking any responsibilities in the exercise of my high office; but I also told the ministers and all the high-ranking officials that they would have to answer for their actions. I am neither happy nor concerned about this fact. I simply say that, with all responsibility, the Venezuelan justice system and Congress should investigate all the facts regarding the scandalous administrative corruption that have been cited in connection with the previous government.

## The Qualifying Law

Moreover, former President Perez noted that the emergency measures of Jaime Lusinchi's government are a direct result of the administrative disaster in which COPEI and Luis Herrera's government left the country; and that the judgment of those policies which have caused the economic and social tragedy being experienced by Venezuela fits perfectly into the discussion of those measures.

"This law on economic measures should be passed immediately. The Congress has mechanisms in its regulations for this purpose, enabling it to quickly pass the laws the urgent need for which is obvious, for the economic health of the republic, or for any other circumstance of that nature."

In conclusion, he stressed that the so-called "El Sartenazo" [literally, hard blow] demonstration was a failure.

"It is a COPEI delusion to think that they, the ones responsible for the entire present state of the country, can raise a protest among the Caracas population against a government that is attempting to solve the serious problems which were bred and developed during the COPEI administration."

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## AD SECRETARY GENERAL ON NICARAGUAN ELECTIONS, SOCIAL PACT

Caracas EL UNIVERSAL in Spanish 9 Apr 84 p 1-14

[Televised interview with AD Secretary General Manuel Penalver, by Sofia and Carlos Rangel; date and location not specified]

[Text] Although many people are calling for unlimited, unreserved support for the electoral process announced by the Sandinist government of Nicaragua, the AD [Democratic Action] secretary general, Manuel Penalver, stated on Venevisión's "Good Day" program, upon being interviewed by Sofia and Carlos Rangel, that his party does not give unlimited, unreserved support to the government of Nicaragua nor to anyone, claiming rather that everything must be observed very carefully and thoroughly.

[Question] Since AD has so much power and so much responsibility, can we trust that it will remain united and consistent, and that signs, such as the public clash involving Alejandro Izaguirre and Octavio Lepage, do not reflect any deep division?

[Answer] I don't see that there has been a public clash or, in any event, a public friction. Owing to the responsibility that it holds and the amount of power that the country has given it, AD has a great commitment to the nation, and its leadership, on all levels, must attempt to run a good government and to emerge from these economic difficulties that we have encountered; because, and this is no exaggeration, this is the last opportunity for AD as a popular party. The great popular masses gave it that mandate, and AD must fulfill its program; because, otherwise, it would become weak as a popular party, and no one would believe it if, in 5 years, AD showed up talking about social democracy. Rather, it must start establishing it now, as it was offered and for which reason the people voted for AD. For that task, I assume, desire and hope that AD is a party that measures up to its historical responsibilities. If it were not, that's the affair of the one or ones who are not; but I believe that we must be, because we have a challenge, we have a historic mission to carry out, a deepseated socioeconomic change to be accomplished, which we have offered to the nation, and we are capable of achieving that. That is why I say that AD is at a great historical crossroads, on which its effectiveness and its greater entrenchment among the public and among the Venezuelan popular classes will depend; but if we fail in this, then the party will fail. The party has some

great internal social forces, but if AD fails in the future, I don't know where those social forces would go, nor who could lead them, nor what course of action they would take.

[Question] Some members of AD are going to attend the Social Democratic Congress in Europe, during April, at which the issue of the elections in Nicaragua will be discussed. What proposition will AD take?

[Answer] That is a meeting held by the Socialist International Bureau. Not many of our members will attend; the secretary of international relations, Enrique Tejera Paris, will attend, and will establish the party's position. As for the elections in Nicaragua, we consider that openness something positive, but there cannot be elections in a state of war; there cannot be elections with restrictions, because in Nicaragua the rights of the two democratic labor confederations, the one which we Social Democrats control and the one which the Christian Socialists control, have been suspended. There cannot be elections without the operation of the political parties, and without the full effectiveness of freedom of the press. So, the support will be contingent on what the context of those elections proves to be; but as for what many people are saying about unlimited support, AD does not give such support to the government of Nicaragua nor to anyone.

[Question] Why was the institutional pact between AD and COPEI broken? Luis Enrique Oberto claimed that AD never submitted firm nominations for the Controller's Office, nor the Prosecutor's Office nor the Supreme Court of Justice.

[Answer] With regard to the institutional pact, there were agreements between AD and COPEI which, during the last three elections, have shared 90 percent of the country's opinion. But the only thing that existed formally was the Punto Fijo Pact, to establish Venezuelan democracy. Later, a bipartisan understanding continued between AD and COPEI on certain important issues, certain matters of state, and not bureaucratic distributions. The one who broke that unwritten pact was COPEI, on two occasions. In 1968, when Luis Augusto Dubuc was president of the Congress, and it was always upheld that the government party should hold that position, which is virtually that of the vice president of the republic, they removed Dubuc from the Senate presidency and appointed Dr Vegas; that was a break in the pact, and at a time when democracy was not so strong as it is now. Later, in 1969, when the legislative chambers were being installed, COPEI made a pact with Communists, MEP [People's Electoral Movement] members and Perez-Jimenists, and elected a board of directors wherein it assigned Jorge Dager, who represented a small party, to the presidency of the Chamber of Deputies, ignoring us. That lasted for a year. And at that time they elected Manuel Vicente Ledezma, who had our votes, as controller, and for prosecutor they proposed Naranjo Ostty; and we did not vote for him, not because of the person, but because of the fact of the mistreatment. So the one who broke that unwritten pact was COPEI, on two occasions. But AD has not done so, either because it is hegemonic or because it has refused to reach an agreement. We leaders of both parties have discussed

this problem about three times. The fact is that there was a veto from COPEI in the previous government, during which, for that reason, it was impossible to elect members of the Court; a veto against a colleague of ours, Otto Marin Gomez, and we did not accept that. That veto has come up again in the current talks, with COPEI disregarding the fact that the conditions were completely different, because before, they were in the government, and we respected their majority in the state agencies, but now AD has a broad, solid, electoral mandate and I would say that the only thing that has been done was not to break the institutional pact, but rather to use an institutional majority won in elections.

[Question] So the crux of the matter was COPEI's veto of Otto Marin Gomez for the Supreme Court.

[Answer] Yes, and this shows that COPEI does not yet understand the real situation, and that happens in the mental state of people who believe, when they have been defeated in elections, that everyone thinks like the one defeated; but situations change, and one must gear himself to the new realities. I believe that this is what has occurred with COPEI this time; because if any government has been run with broadness, dialog and consultation, it is the government of Jaime Lusinchi, who has started a spirit of dialog that Luis Herrera's government lacked.

[Question] With the fait accompli, COPEI has warned that the cause is an ambition for hegemony on the part of AD, which could result in a party dictatorship, and they have gone so far as to say in a communique from their National Directorate that all this could upset the country's institutional health; and we all know what is suggested by that.

[Answer] That communique seems ridiculous to me. It is the language of 1948 that they are using again at present. The COPEI members have an outdated language, because Venezuela is not what it was in 1948. (But things happened in 1948, commented Carlos Rangel.) It was a very different situation, a democratic process was being initiated, and COPEI was not what it is now either. At that time, COPEI was the remains of the Gomezists and the landholders, although it later evolved as a Social Christian party. Furthermore, and Pedro Pablo Aguilar stated this very sharply in some remarks, the Punto Fijo Pact is a phase that is by now nullified in Venezuelan politics; there has already been accrued what was supposed to be accrued from the Punto Fijo Pact. In the election campaign, we announced something new for a new time, namely, the Social Pact, an understanding with everyone, with all the political, economic, labor and social forces. We have been in the government for 2 months, and we are laying the groundwork for that Social Pact, that large-scale understanding to remove all the problems from Venezuela.

[Question] Then would you say that the AD-COPEI institutional pact has expired with this?

[Answer] The political pact, that understanding to establish democracy, has already served its purpose, and now we must sharpen our imagination and propose a new pact for a new time, an economic and social pact.

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## BRIEFS

AD ON CORRUPTION CHARGES--Immediately after Holy Week, Democratic Action's CEN [National Executive Committee] will establish its final position on the charges made by Deputy Orlando Fernandez against former President Luis Herrera and other officials of the previous government. The view that exists among the majority of members of the AD national leadership is one of considering as proper any investigation of acts of corruption attributed to the former administration. According to the sources who were queried, those investigations would take place both on the congressional level and through the jurisdictional agencies. In this connection, they give a reminder that, in the "Sierra Nevada" case, there were probes and discussions in the legislative chambers; but, at the same time, the matter was discussed by the organs of Venezuelan justice. It was former President Carlos Andres Perez himself who proposed among the members of AD that the issue be taken to Congress. The position of the white party was that the case could be debated there, but the chambers had no authority to issue substantive judgments in the criminal or administrative realm. Carlos Andres Perez, Reinaldo Leandro Mora, David Morales Bello, Manuel Penalver, Humberto Celli and others uphold the proposition that the party should be consistent now with the stance assumed at that time. Morales Bello in particular, at the last CEN meeting, gave an extensive address, putting forth some advice in the legal and constitutional areas. Luis Pinerua came out in favor of bringing suit against former President Herrera in Congress, and used very harsh terms to describe the former government with regard to administrative corruption. He even voiced the idea of examining the financial reports and accounts of the ministers of the previous 5-year period, with a view toward disapproving those in which serious actions were found. The CEN did not reach any conclusion, considering the fact that the text of Orlando Fernandez' proposal would have to be examined. [Text] [Caracas EL UNIVERSAL in Spanish 13 Apr 84 p 1-14] 2909

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